

11



15

16

17

18

RURAL RECONSTRUCTION
IN IRELAND



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A RECORD OF
CO-OPERATIVE ORGANIZATION

BY

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PREFACE

THIS volume contains the most complete and accurate history of a movement which has come to be of the highest importance to Ireland. It has in it the promise of a more real unity among Irish people than has before seemed possible. The unity of a people may be brought about by acceptance of common religious, cultural, or political ideals, but it is doubtful whether that unity can be made real by any of these unless at the same time there is an identity of economic interest among the majority of the citizens. Without this identity of economic interest made obvious to the average man the unity is without depth. The forces of the material world are more powerful on their own plane than the forces of light, and are continually thrusting into a kind of powerless pre-eminence the religious, cultural, and political ideals ostensibly ruling the minds of men. The material forces are stronger on their own plane, but are not by their nature antagonistic to spiritual forces. The need of the body to be fed, clothed and housed is a need which for the vast majority pushes aside all cultural ideals until it is first satisfied. The satisfaction of that need is the motive prompting all economic organization, and by virtue of that necessity which brings them into being they war successfully with religion and culture where these do not afford practical solutions of the economic problems of the ordinary man. The body of man is the most egoistic of all things, and in winning satisfaction for its desires its first natural manifestation is by way of economic individualism, and every man is for himself and his family. Society so constituted becomes full of petty antagonisms and is the very antithesis in practice of those high spiritual principles which are everywhere theoretically accepted and which aim at the subordi-

nation of the personal to the natural and an orchestration of human activity for the common good. These ideals so thrust aside come at last to be regarded cynically as fitting for Paradise, but very unsuitable for Earth. Nothing could be more hopeful for the triumph over the minds of men of spiritual ideals than a movement which aims at superseding individualism in the economic sphere by co-operation. It may seem at first thought incongruous to associate the material activities described in this volume with anything spiritual, but if we reflect a little we will find it is not so. The great religions had their origin in a descent from Heaven to Earth and the incarnation in bodily form of a ray from the Divine mind, and spiritual and cultural ideas, if they are to exist as real power, must in like manner descend and clothe themselves in a material form and distribute the loaves and fishes to the multitude. The idea of nationality is a cultural idea, but a man very soon becomes cynical about nationality in practice if his neighbor or his employer accepting the same national ideals do in fact relegate him to poverty in the pursuit of their own interests. The co-operative movement in large measure binds together the economic interests of Irishmen, so that purchase, manufacture and sale become less and less personal enterprises and more and more communal or national activities. It illustrates in a practical way the truth that the personal and economic interests of the majority are served best by their incorporation in communal enterprises. So the mind of the citizen is predisposed to subordinate his own interests and to identify them with the interests of the nation. I believe that whatever may be the temporary strength of other movements in Ireland, the co-operative movement, dealing as it does with the daily lives of men, must finally have an influence greater than any other in its effect upon the character of the Irish nation. It occupies itself with things men must do under whatever government they exist, whatever religion they profess, whatever cultural interests they may have; and because it deals with the permanent human occupations the principles

accepted in its organizations must affect national character in the long run most powerfully. I emphasize these things more than the very great economic advantages conferred on farmers and townsmen by co-operative effort because that has been done admirably by the authors of this book. Ireland to-day is in a very disturbed condition when many people despair of its future under any form of government which may be established, and it may cheer those who are despairing and increase the hopes of those who have faith to have their attention called to a movement so practical, so conciliatory in its effects, and which is growing so rapidly that no county in Ireland is without its thousands of adherents. Before another generation has arisen I believe this movement will have made a complete conquest of the Irish mind. Membership of co-operative societies is a practical education in economics fitting men for public service, and by its principles it fosters the spirit of citizenship. When the fierce passions of the hour have foamed themselves away I am convinced that this movement will come to its own, and its principles of toleration and comradeship in work will become the dominant factors in national life.

“A. E.”

AUTHORS' NOTE AND DEDICATION

THIS book was of necessity written under conditions of unusual difficulty consequent on a state of war. We are fully aware that it has suffered thereby, and aware also that the same conditions are most unfavorable to its introduction to the public. We know that people are naturally averse at the present time from the consideration of any subject not actually and directly connected with war, and that those who realize that the subject of this book is so connected are few and far between.

Yet we venture to hope that a realization of the penalties for the neglect of agriculture and an understanding that organization lies at the basis of all successful agricultural effort are now springing up. If that be the case we believe that, whatever the literary defects of our work, it will introduce readers to an accurate study of a movement which has been based for twenty-five years upon this realization and understanding. We are assured that if the public once grasps the underlying principle of agricultural co-operation we shall have moved a very long way forward towards seeing at least one of our industries likely to be improved by the process of reconstruction. At present British governmental policy—unlike that of practically every other nation—is either thoroughly ignorant of, or actively hostile towards, the associative principle which forms the keynote of the successful work we describe. Until this is altered the agriculture of these islands, no matter how much be done towards either persuasion or compulsion, will remain a mockery for the nations.

If we may permit ourselves a brief personal note we would say that our collaboration—between an Irishman and an American, each of whom has enjoyed a considerable period in the country

of the other—was undertaken solely because we had each made up our minds to write this book before we ever met, and we thought it the part of discretion to contribute, the one his first-hand knowledge and experience, the other his fresh observation and impartiality, to a common effort, rather than to enter upon a competition which could be useful neither to ourselves nor to our readers. One of us has accepted official position with the I.A.O.S. since the bulk of this book was written, and he is conscious that there are parts which could not have been written so freely had this appointment preceded their writing; we wish it to be clearly understood that the chapters dealing with that body have no pretensions to official authority.

Finally, we would say that we have deliberately resisted the temptation to strive at any improvement upon the straightforward record of mere fact. The co-operative movement in Ireland admits of a glowing treatment in which its real romance and its spiritual appeal may be made to shine out. We are too conscious of our limitations as craftsmen on the one hand, and of the crying need for a more prosaic record on the other, to attempt this task.

The book must stand or fall, not by the merits or defects of its authorship, but by the value of the work it records, and of this we have little doubt.

We dedicate it to those Irishmen, "not followers of tradition," who are content in times of earthquake to lay the foundations on which they themselves may never build—who neither heed the danger of the falling edifice nor seek to add to it of their own fancy nor stay to mock at those who built it, but go on silently, patiently, with pity and with hope, at their own appointed task. We find these men's work recorded in this book, and chief among them we read the names of Sir Horace Plunkett, the inspiration, and Mr. Anderson, the mainspring, of the co-operative movement.

Dublin, 1917.

LIONEL SMITH-GORDON
LAURENCE C. STAPLES

CONTENTS

	PAGE
CHAPTER I: ECONOMIC AND SOCIAL CONDITIONS	15
Outlines of Irish history : Occupational statistics : Natural resources : Land system : Ignorance of agriculture : Emigration : Home life : Obstacles to community life : Political troubles : Education.	
CHAPTER II: LAND LEGISLATION IN IRELAND	34
Deasy Act : Act of 1870 : Bessborough Commission : The three F's : Tenant proprietorship, 1869 and 1885 : Acts of 1891 and 1896 : Dunraven Treaty : Acts of 1903 and 1909 : Results : The Congested Districts Board and its work.	
CHAPTER III: EARLY HISTORY OF THE IRISH CO-OPERATIVE MOVEMENT	50
Previous experiments : The Co-operative Union : Mr. Gray and Sir Horace Plunkett : Doneraile : Creameries : Mr. Anderson appointed : Formation of the I.A.O.S. : Obstacles to the movement : Sir Horace's personality.	
CHAPTER IV: PRINCIPLES AND IDEALS OF THE IRISH CO-OPERATIVE MOVEMENT	66
A definite practical scheme : The Rochdale principle : Irish farmers need combination : Methods of combination : Definition of co-operative society : Its structure : Its aims : Importance of the local unit : Community organization.	
CHAPTER V: THE I.A.O.S.: ITS FORM AND FUNCTIONS	77
The first years : Aims of the society : Its methods of work : The organizers : Audit department : Relations with the State : Democratic machinery : Decentralization : The <i>Irish Homestead</i> : The United Irishwomen : The Co-operative Reference Library.	

	PAGE
CHAPTER VI: THE I.A.O.S.: ITS FINANCES	95
Financial struggles : The D.A.T.I. : The Development Commission grant : Affiliation fees and subscriptions : Reasons for weakness : Possible remedies.	
CHAPTER VII: THE CREAMERIES	106
Revolution in butter-making : Causes and effects : The Danish example : Form of co-operative creameries : The binding rule : Auxiliaries : Control : Method of payment : "Profits" : Capital : Subsidiary business, milling, etc. : Success of the system : The Agency Society, history, criticism and suggestions : The Butter Control brand : Winter dairying : Continuous cropping : Cow-testing : Services of the I.A.O.S.	
CHAPTER VIII: AGRICULTURAL SOCIETIES	130
Early conditions : The "gombeen-man" : Advantages of co-operation : Form, finance, methods : Possibilities of development : Collective sale : General purpose societies : Implement societies : Economic results : The Wholesale Society, history and success : Relations with industrial societies : The credit difficulty.	
CHAPTER IX: THE CREDIT SOCIETIES	148
Early conditions : Credit facilities : The "gombeen-man" and the money-lender : The trust auction : The Loan Fund Board : The Raiffeisen model : Sources of capital : State loans : The loans withdrawn : Unlimited liability : Its drawbacks : History of the societies : Their rapid growth : The appearance of defects : Suggestions for improvements : The Central Co-operative Credit Society : The Departmental Committee on Credit.	
CHAPTER X: MISCELLANEOUS SOCIETIES	173
Their importance : Eggs and poultry : Flax : Beekeeping : Live stock : Bacon factories : Wexford Meat Society : Co-operative wheat-growing : Fishing : Insurance : Lime-burning.	

CONTENTS

13
PAGE
192

CHAPTER XI: HOME INDUSTRIES

Argument for home industries : The market problem : The Irish Lace Depot : The C.D.B. and lace : The I.A.O.S. : Decline of the lace industry : The Dalkey Co-operative Embroidery Society : Sweating in the linen industry : Hand-knitting : Homespun : Gweedore : Miscellaneous : Co-operation and home industries : Obstacles to development.

CHAPTER XII: THE DEPARTMENT OF AGRICULTURE AND TECHNICAL INSTRUCTION

210

Technical education : The Recess Committee : The Department established : Its constitution : Democratic control : Funds : Activities : Co-ordinated work with the I.A.O.S. : The principle vindicated : The change of policy : Attitude of the Nationalist Party : Cleavage with the I.A.O.S. : Prosperity retarded.

CHAPTER XIII: INDUSTRIAL CO-OPERATION AND ITS RELATION TO THE AGRICULTURAL MOVEMENT

224

The controversy with the C.W.S. : Industrial co-operation in Ireland, history and results : Unsuitability to conditions : The Irish Co-operative Conference Association : Suggestions for joint working : Intertrading through the wholesale societies : A joint committee needed.

CHAPTER XIV: THE ECONOMIC RESULT OF THE CO-OPERATIVE MOVEMENT

243

Improvement of conditions : Emigration checked : Statistics of importance : Businesslike organization : Diffusion of wealth : Position of the laborer : Honest trading encouraged : New industries and employment : Latent business capacity : Position of employees.

CHAPTER XV: THE SOCIAL AND EDUCATIONAL RESULTS OF THE CO-OPERATIVE MOVEMENT

259

Business education of farmers : Sense of citizenship : Differences of religion and politics bridged over : Community life : Co-operators look to the future : The Templecrone Society : History and results.

	PAGE
CHAPTER XVI: THE FUTURE DEVELOPMENT OF THE MOVEMENT	274
Success spiritual more than material : Theory and practice : Detailed suggestions : The I.A.O.S. as a democratic body : Necessity for freedom : Difficulties of State aid : The trade- union policy for farmers : Political action : Educational work needed : Difficulties in the way : The call to young Irishmen.	

RURAL RECONSTRUCTION IN IRELAND

CHAPTER I

ECONOMIC AND SOCIAL CONDITIONS

THE co-operative movement in Ireland, which has attracted attention throughout the world, is a practical attempt to deal with some of the more fundamental Irish problems. It is concerned primarily with the economic welfare of the country, and its anticipated social and moral effects are dependent upon an improvement in material conditions. In comparison, "THE IRISH PROBLEM," capitalized and italicized by the strenuous efforts of the professional politicians, sinks into a secondary position. The real problem is one of poverty; not only economic poverty, but also a poverty of industrial character and of social life. It is not peculiar to Ireland, for other countries have faced similar conditions. The combination of unfortunate circumstances may be different and extreme, but the underlying elements are the same. On the truth of this statement depends the value of the co-operative movement as a general method of improving economic conditions, not in Ireland alone, but in other countries where similar problems occur in different surroundings. That it has such a value is suggested by the number of inquirers who find their way to its headquarters at the Plunkett House. A movement which has been carried on without ostentation for the benefit of one country alone has attracted attention, which it did not seek and which seems out of proportion to its practical results, from

social reformers in other countries simply because they realized that the difficulties and handicaps which it had to overcome embraced almost all those which could arise in any country. It is our task to show what these difficulties have been, and to do this we must consider briefly the economic and social environment into which this constructive programme was introduced. Only by such a preliminary study can we emphasize the significance of the work as a comprehensive measure of rural reconstruction.

From a past which embodies many glorious records, Ireland has received a heritage of wrongs and evils which largely explains the depressed and backward conditions of the late nineteenth century. It is not our purpose to dwell upon history, for the co-operative movement looks to the future, constructing anew instead of reveling in the deeds and injuries of bygone generations. And yet it would be impossible to understand the economic and social situation in Ireland, and so the true significance of the co-operative movement, without a glance at the past.

The general outlines of Irish history are well known. Owing to its isolated geographical position, Ireland was left undisturbed by the Roman conquests, and achieved independently a comparatively high stage of civilization. Wars between the various kingdoms were its curse, however, and ultimately led to the destruction of its independence. For in 1169, at the invitation of Dermot MacMurrough, King of Leinster, the English adventurer, Richard, Earl of Pembroke, came to Ireland to assist in a war against the Ard-Righ, or High King of Ireland. Richard was shortly followed by King Henry II, who secured recognition as overlord, and although he departed again forthwith, this event determined the direction of later Irish history. The invasions continued, and became more and more comprehensive, though never complete. As the various Irish chieftains were defeated, their lands were confiscated and distributed among English adventurers. For more than five centuries the history of the country is a long and distressful story of revolt and conquest and revolt.

In order to strengthen their position, the English brought in a considerable number of settlers, but only in Ulster were these sufficient to dominate. There are three distinct ways of governing a tributary State: first, by the extermination of the original inhabitants; second, by their complete subjugation; and, third, by recognizing their independence under the mother country. None of these policies was completely carried out in respect to Ireland, although all of them were to a certain extent applied. The result has been a long series of injuries and recriminations, which have done much to prevent the development of a sound economic and social life.

Among the injuries which Ireland suffered at the hands of her alien ruler, the most apparent was that which so long and seriously crippled her manufacturing industry and commerce. During the latter half of the seventeenth century, the English, in accordance with the Mercantilist theories then current throughout Europe, enacted a series of restrictive laws which nipped in the bud a promising and well-balanced industrial development. The rapid expansion of Irish industry in the comparatively settled conditions after the Cromwellian disturbances roused the jealousy of English manufacturers. Their antagonism was embittered by all the prevailing religious and political differences. They demanded protection against the pauper labor of Ireland. The early efforts at such protection in the Navigation Act of 1663, and in an Act (humorously entitled "for the encouragement of trade") dealing with the flourishing cattle export, had proved a boomerang. But in regard to the woolen industry which the Act of 1663 had encouraged by increasing the production of Irish wool, this policy was more successful. Woolen manufacture had progressed so rapidly that by the end of the seventeenth century over fifty thousand families throughout Ireland were engaged in it. But the Acts of the English-dominated Irish Parliament in 1698, imposing a prohibitive duty on exports of cloth, and more especially of the English Parliament the year following, "prohibiting per-

petually the exportation from Ireland of all goods made or mixed with wool," had an immediately deadening effect. Though a smuggling trade continued for a time—and there persists to this day a cottage industry in the North and West of Ireland which is the surviving remnant of an erstwhile prosperity—a virtual deathblow had been given. Other industries suffered similar restrictions. Nor did the withdrawal of this meddling legislation toward the end of the eighteenth century promote more than temporary developments. The paralyzing Act of Union in 1800, closely followed by the Industrial Revolution, proved an equally effective if not so openly malicious hindrance to development. Since 1824, when complete free trade between England and Ireland was attained, there has been a slow but steady growth of manufacturing industry. But even though these industries now play an important part in the economic life of the country, their tardy development, for which the activities of a hostile legislature were almost wholly responsible, reacted seriously on agricultural development.

The occupational statistics of the country, inexact as they may be, throw an interesting light on these conditions. While there has been since the Famine of 1846 a slow but steady decrease in the proportion of the population employed on the land, a phenomenon not limited to Ireland, there remained in 1891, the census year which we shall take as closest to the inauguration of the co-operative movement, 936,759 persons who were reported as directly employed in agriculture, out of a total population of 4,704,750. To these must be added 118,980 general laborers, the greater part of whom were on the land. Manufacturing industry claimed 537,430; commercial pursuits, 83,173; domestic service, 255,144; and the professions, 214,243. Thus the proportion in agriculture of the definitely employed population amounted to about 50 per cent., in comparison with 19 per cent. in England, 33 per cent. in the United States, and 41 per cent in Germany. Manufacturing industry employed only half that proportion.

Yet agriculture, the basis of the economic life of the nation, was so unorganized, so undeveloped, that it failed to meet this situation. In the failure of her basic industry lies the fundamental cause of the poverty and backwardness of Ireland.

As far as natural resources are concerned, Ireland might easily have become a prosperous agricultural country. The fifteen and a half million acres of arable land are of more than ordinary fertility. Competent agricultural observers from Arthur Young to those of our own day have agreed that its potential productivity is hardly equaled on the Continent of Europe. Sir Robert Kane wrote that from the produce of the soil a population of eighteen million might easily be supported. The broad green stretches of Meath and Kildare, the Golden Vale of Tipperary, and even the more rocky but carefully cultivated soil of Ulster, against which it is only necessary to put the rock and bog of the ragged western seaboard, indicate a bounty of Nature of which few other countries can boast. A mild climate and an abundance of rainfall produce a luxuriant foliage.

Yet these splendid natural resources have never been properly utilized. The necessary human elements of the situation have been lacking, and in place of a promised prosperity there has been the greatest poverty and distress. Here, also, historical events have been of primary importance. Following the various English conquests and confiscations, the original Celtic land system of communal ownership with individual occupation was set aside. For it was substituted a system which had nothing to recommend it except its success under wholly different conditions in England. The adjustments to local needs which might have made it equally successful in Ireland were never applied. The land, divided among the conquerors as the spoil of victory, became the property of a comparatively small number of landlords. The original Irish owners, except so far as they were exterminated or driven from their homes altogether, remained as occupiers under a system of yearly rents or leases. Since no manufacturing industry existed,

there was no alternative to the land as a source of livelihood. The natural increase of the population flooded back upon the fields. In this situation, the alien landlords, and indeed those of Irish race who were able to secure holdings, were not slow to take advantage of their monopoly position. Rents rose continuously, depending, not on the quality of the soil, but on the quantity of the population and the rapacity of the landlord. (Wherever the efforts of the tenant exacted a greater productivity from the soil, wherever subsidiary industries existed, the increased income was at once absorbed by the increase in rent.) All above the very lowest minimum for existence—and the low standards of living in Ireland were both a cause and a result—was claimed by the landlord or his agents. The nefarious class of middlemen rent-collectors prospered quite as much as the actual owners. In a situation in which governmental interference might have received considerable justification, a complete policy of *laissez-faire*, entailing many forms of abuse, prevailed.

This rack-renting was rendered more serious by the tendency to use a large proportion of the land for grazing purposes. The Irish climate makes the production of grass and the raising of cattle a particularly easy and remunerative occupation. Moreover, not only did market conditions favor this use of the land, but also the exemption of pasture from ecclesiastical tithes, one of the nefarious penal laws of 1735, gave artificial encouragement to the tendency. During the Napoleonic wars, the high prices of corn and the extension of the franchise to 40s. freeholders brought much land back into cultivation. But the movement was soon reversed with the higher prices for beef and the drop in corn. As a result, vast stretches of deserted prairie, populated only by lazy bullocks, and comprising much of the best land of Ireland, covered in 1891 more than two-thirds of the arable land of the country. This proportion is not even approached in any other long-settled country.

Obviously, such a system of agriculture was most unadapted for the support of a large population. And, moreover, the fact that the cattle produced were shipped on the hoof for fattening in England deprived the country, not only of the most remunerative stage of beef production, but also of the many industries which depend on the by-products of beef. Only the high prices of another great European war, and indeed the compulsion of governmental authority, have succeeded in checking the tendency to devote an even greater percentage of the land to grazing.

From these facts—the absence of alternative occupations, rack-rents, and the devotion of a large proportion of the land to grazing—developed an extreme subdivision of holdings. As the population grew and the increase of grazing reduced the area available for cultivation, the obvious solution was a decrease in the size of the individual farm. The ancient Brehon custom of gavelkind, by which regular redistributions of the land took place, acted as a precedent. In 1845, the year previous to the Great Famine, the situation was at its worst. The population had reached a maximum, estimated at eight and a half millions, for the birth-rate had been greatly accelerated by the prosperity of the Napoleonic era. On the other hand, the fall in the price of corn following the declaration of peace in 1815 and the withdrawal of the 40s. franchise in 1829 had inaugurated a period of clearances which continually reduced the amount of land available. But even after the tremendous reduction in population which occurred before the end of the century, there remained in 1891 many uneconomic holdings or deficit farms. It is impossible, of course, to fix accurately the size of the economic holding. Variations in quality as well as size govern the amount of land which is necessary for the support of the ordinary family without employing outside labor. Probably valuation is a better test than size. But fixing fifteen acres as the dividing-point, about 43 per cent. of Irish farms in 1891 did not exceed that size. Of these

small holdings practically a half were of five acres or less. Under such conditions no profitable form of agriculture could be practised.

The system of rack-rents, with coexisting evils of grazing deserts and uneconomic holdings, was not the only handicap from which Irish agriculture suffered. The lack of security of tenure was an equally important reason for backward conditions. A large proportion of the tenants held their land on a yearly lease and might be summarily dispossessed. Longer leases existed, but under the penal laws could not extend, in the case of Catholics, beyond thirty years. Rack-rents, moreover, kept most of the tenants perpetually in arrears. At any time the owner might press for the rent, and when, as was often the case, it was not forthcoming, could proceed to eviction. These evictions, which took place in particularly large numbers following the Great Famine, were a most important factor in embittering the peasantry against the landlords. An increase in their number, such as occurred about 1880, was immediately followed by an increase in agrarian crime. These excesses, many of which were carried out with frightful brutality, were a direct result of this, "the greatest legalized crime which humanity has ever accomplished against humanity."

Since the tenant enjoyed no security of tenure, and therefore had no permanent interest in his land, his only aim was to exploit its resources as much as possible. Irish landlords had never accepted the obligation, acknowledged in England, of financing permanent improvements. The tenant himself did not have the capital to invest; the uncertainty of his tenure did not encourage him to make the necessary exertions; he could claim no compensation for improvements which he did make; and the increased product which was his only incentive for such a step would merely invite an increase of the rent. As a result, no permanent improvements were undertaken, and the productivity of the soil progressively deteriorated.

In Ulster, owing to the recognition of a custom of "tenant right," somewhat better conditions prevailed. The holder enjoyed a comparative fixity of tenure; he was to be compensated for any improvements which he undertook; and the rents, though periodically revised, were never pushed to a competition level. With the consent of the landlord, the tenant might sell his "right"—that is, his interest in his holding—to another farmer. While this system undoubtedly encouraged more careful and scientific cultivation, the evils of competition were only transferred to the sale of the "right." Its great superiority over the rack-rent system, however, accounts for the more advanced position of agriculture in the northern counties.

Under conditions in which sufficient product to pay the rent and to maintain the family at a minimum standard was all that was required, no scientific or even efficient system of agriculture was likely to develop. Little was known about the rotation of crops, and few farmers understood the use of fertilizers, particularly farmyard manure. Agencies for agricultural education were, as we shall see, almost completely lacking. Thus the natural resources of the soil were gradually exhausted by wasteful methods. The extreme productivity of the potato, cultivated in "lazy beds," encouraged its general introduction and made possible a rapid increase of the population. The failure of this single crop in 1846 and succeeding years was the disastrous culmination of a long-extended policy of soil exhaustion. This blackest period of a dark and dismal history, when in five years the population of Ireland shrank from almost 8,500,000 to 6,552,385, losing 1,240,737 by emigration, and an appalling number by starvation and famine fever, still spreads its melancholy shadow over the land. In the terrible years of the Great Famine, Ireland saw a climax of the evils of landlordism.

If confirmation of the backward conditions of agriculture in Ireland were necessary, the figures disclosed by the Census of Production in 1908, over a score of years after the inauguration

of the period of ameliorative legislation, and hardly less of co-operative history, would be conclusive. According to that inquiry, the total value of the agricultural product of Ireland, in the creation of which roughly a million persons were employed, amounted to £45,570,000. This gives an average *per capita* product of £46, in comparison with £113 for the agriculturists of England and Wales, and £109 in Scotland. Such figures admit of only one conclusion. Irish agriculture, on which the livelihood of the great mass of the people depended, did not form a sound economic basis for the national existence. And until this was changed, no other efforts for the reconstruction of the country could be really effective. The revival of manufacturing industry might prove of advantage, but few would wish to see another Lancashire reproduced in Ireland. Agriculture, first and foremost, must be the concern of those who had a vision of the Ireland that might be.

The economic situation we have outlined has been largely responsible for the disastrous emigration which has so profoundly affected the recent history of Ireland. Beginning in a small way as the natural outcome of the opening up of the New World, and as a protest, particularly among the Protestants of Ulster, against England's economic policy, it became a real menace at the time of the Great Famine, when flight to America, even by the medium of the hideous coffin-ships, offered the only alternative to lingering starvation at home. Two feelings which were strong in the minds of the original emigrants—hatred of the conditions which had driven them out, and loyalty to their own kin—led them to seek every opportunity of encouraging and helping their relations and neighbors to follow them and to share the comparative prosperity which they often attained. Thus the exodus, begun in tragedy, has continued to this day with varying degrees of intensity, till many an Irish boy or girl, who would hesitate about changing his home from one county of Ireland to another, has come to look upon the journey to America as a normal incident of life, or even as

that voyage of which all peoples have dreamed, to the "land beyond the sunset," the "El Dorado of the West." Boston, Massachusetts, to which so many of his comrades have already gone, is much more real to the Aran islander than Galway, hardly twenty miles away at the head of the Bay. Thus in the course of the period from May 1, 1851, to December 31, 1913, there had emigrated, largely to the United States, a total of 4,278,327 persons at a yearly rate varying from 30.0 per thousand in 1852 to 6.7 per thousand in 1912. As a direct result the population of Ireland has decreased from over eight millions in 1841 to about four and half millions in 1911.

The loss of such a tremendous number of people is in itself a great injury to a country, though in the case of Ireland, as we have seen, emigration was for some years the only alternative to starvation. But only when the constitution of this group is considered does the full significance of the exodus become clear. The emigration from Ireland was not a movement of families, but of individuals. Herein lies the explanation for its particularly harmful effects. Instead of merely subtracting a certain number of units of average value to the community, the movement meant the loss of a group containing an abnormally large proportion in the productive years of life. Young men and young women just at the age when they were most capable of adding to the productive capacity of the country were chosen as the representatives of their families in the great struggle to acquire a share of the fabled riches of the New World. Thus the population remaining in Ireland includes an unnaturally large proportion of unproductive units imposing an extra burden on the economic wealth of the country.

Another peculiar characteristic of this emigration was the large proportion of females. An agricultural community such as Ireland, where even the men often found an insufficiency of work to occupy them, can seldom employ its women effectively. Thus, whereas in most emigrations males preponderate heavily, in this

case almost 50 per cent. were women. In certain sections, outside the linen manufacturing districts of Ulster, and particularly in Connacht, the proportion is even larger. Combined with the general poverty, this fact has had serious effects on the future of the race. The desire to seek a fortune in the New World has outweighed all other ambitions. Thus even those who do not go away postpone marriage until late in life. The marriage-rate in Ireland, as compared with 15.8 in England, 15.1 in France, is only 10.0. As a natural result, the birth-rate, which previous to the Famine had been exceedingly large, has progressively decreased throughout the latter half of the nineteenth century. This birth-rate, the lowest in Europe with the exception of that of France, is accompanied by a rather high death-rate, to be explained partly by the large proportion of elderly persons in the population, partly by the ignorance and absence of public health work throughout the country. For this reason emigration, though now little above a normal movement, still results in an actual diminution of the population. The slight excess of births over deaths is more than balanced by the present rate of emigration. Even if this movement were to cease altogether, therefore, no rapid or large increase of population would for some time be possible.

The record of many Irish emigrants in countries beyond the seas raises further questions as to the composition of the group. Can it be that conditions of environment have so completely changed men of Irish blood as to make them active and energetic in the New World while at home they remain lethargic and poor? Undoubtedly the new start has meant much. But in addition it must be realized that emigration, involving as it does a certain amount of energy, initiative and courage, has selected the more efficient and enterprising persons in the country. Many of the natural leaders who might have been a potent force in the reconstruction of the nation have forsaken the home country and gone to create the life of the New World.

This vicious circle of economic depression and emigration seriously reacted upon the social life and character of the people. A deadening melancholy settled upon all forms of community life, created by poverty, perpetuated by the lack of leadership, and aggravated by an attempted Anglicization. No longer did one hear the harp or the pipes or the fiddle in the cottages, or see the people gathering for the evening *ceilidhe*. The various customs which had brought them together for social enjoyment passed into disuse. The color and the spirit which dances and festivals and story-tellings had brought into the lives of the young people faded away. Instead, the healthy spirit of abundant life turned to less innocent pursuits. In many a small Irish town the public-house became by lack of competition the centre of social life and inevitably brought in its train a squalid atmosphere which concealed from the casual visitor and too often even from the people themselves the true spirit of the country. Combined as it usually was with a general business, it was the one place at which the people met frequently, and the change, after the purchase of tea or sugar, if indeed there be any cash at all, was as often returned from the keg as from the till.

The dull social life in the community at large reflected an equally uninteresting home life. As the towns did not possess facilities for community enjoyments, so many Irish cottages did not form the proper environment for a pleasant home life. What decencies, not to say comforts, were possible in the miserable huts, built of mud or other perishable material, containing one room with possibly a single window, a hole in the straw roof in lieu of a chimney, and no floor but the bare earth? Happily, the number of cabins of this class, which in 1841 had reached nearly 500,000, has been greatly reduced, by 1891 to hardly 20,000. There remained in that year, however, over 300,000 of the next or third class, which still represents a very low standard of living. In such surroundings, a happy family life was almost impossible. The husband found his enjoyments outside the home, the wife

was confined to its dreary and narrow walls. The woman was thrown into the background. She brought the husband who had been chosen for her a dowry, and thereafter settled down to her normal function in life. But because she had only a very meagre education, and because the decent facilities for a home did not exist, even in her own sphere she did her work very badly. Only by the regeneration of the economic life of the country could the Irish home be raised to the position to which the fine natural feelings of the people have entitled it.

A further obstacle to the development of a complete community life lay in the social distinctions which, developed as they largely were from the economic situation, afterwards did much to aggravate its seriousness. Wherever one class of the population is exploited in the interests of another, there inevitably arises an ever-menacing antagonism. The alien landlords, who in many cases looked upon their estates only as sources of revenue, and who spent little time in the country, never enjoyed the sympathy and respect of their tenants. Many turned over their estates to middlemen, whose exploitations were even more severe. The few who were aware of their obligations suffered for the abuses of the less thoughtful members of the class. At the other extreme of the economic order were the original Irish holders, having nothing in common with the landlords but their differences. In this class, but not of it, were the shopkeepers and gombeen-men of the villages, who were for this reason more inimical than the landlords themselves. In their pretended sympathy with the peasantry, they had acquired the leadership of the class, and were thus able to exploit it in their own way. The people were bound to them in a virtual slavery, ever in debt for necessities supplied or credit given. Landlords who saw their holdings threatened by the land legislation of the late nineteenth century declared that it would be perfectly easy for them to set themselves up as shopkeepers in the villages, and that within a generation they would be in possession of their lands again. Still another

group, the agricultural laborers, occupied an even lower position in the economic scale. They received a miserable pittance for their labor, and were correspondingly inefficient and unskilled. Many of them emigrated to England and Scotland each year for the harvests. Economic interests thus divided the Irish population into several classes, particularly along the line of the ownership or non-ownership of land.

This division was accentuated by coincident racial, political and religious differences. The landlords were of an alien race and owed their position to the forcible dispossession of the Irish holders. Thrice over the soil of Ireland had been confiscated, and the latest Cromwellian landlords were the most hated of all. Moreover, Ireland has always remained faithful to the Catholic Church. When the supremacy of the Pope was denied by the English king, his subjects in Ireland refused to follow. And despite many efforts to overcome this "perversity," their loyalty has been unbending. The penal laws which discouraged the profession of Catholicism in every possible manner, which made priests of that Church criminals, and hindered the activities of its professors in every direction, which put premiums on family disloyalty, and made every man suspicious of his neighbor, only strengthened their devotion. In Ulster the Scottish planters, who formed over 50 per cent. of the population, held as strongly to their established religion. The approximate equality of the numbers professing the two religions aggravated the antagonism. The irreligion of religious bigotry has been nowhere more clearly displayed. Finally, the political problem, the eternal demand for Home Rule, bitterly opposed for the most part by the landlords and the Ulster Scots, was a never-ending source of difficulty. The economic antagonism was aggravated by racial, political, and religious differences, all combining to enforce each other.

These antagonisms have always tended sharply to divide the Irish people and, particularly in Ulster, to limit the possibility of common effort. There has been in Ireland no sense of social

solidarity. Class solidarity for class antagonism has prevailed. In the South, where the Catholic Home Rulers were preponderant, the Unionist, so long as he did not introduce his political opinions, was not altogether shunned; in the North the feeling on both sides was strong. In these circumstances a real community life, uniting all classes together on the basis of common interests, seemed impossible.

The real importance of these facts concerning the economic basis of the life of the country and the social conditions lay, however, in their effect on the character of Irish men and Irish women. The wealth of a nation lies, not in the material resources at its command, but in the energy and initiative and moral fibre of its people. Without these attributes no country can become permanently prosperous; with them no unfavorable circumstance can long prove an insuperable obstacle. But character is largely molded by material conditions. To attribute to racial perversity the lack in Irish character of those particular qualities which make for economic success in the modern business world is unfair to their equally undoubted mental and moral endowments. Some explain the situation by the climate; which does not possess the "electricity in the air" which is popularly believed to stimulate their greater exertions in America. One notable English statesman satisfied himself that the real cause of Irish distress lay in the contiguity of a restlessly moaning ocean. But while these explanations contain elements of truth which cannot be ignored, the more immediate and important causes have already been indicated.

The excessive importance attached to the political question which has been so great a factor in weakening the character of the Irish farmer as a producer of economic wealth was both a cause and an effect. The lack of application to the more material needs rendered the Irish mind receptive to more shadowy appeals, while the interest of the people in this single problem turned their

minds away from more practical questions. No one would deny the importance of the political problem in regard to Ireland, but there is every reason to claim that its place in recent Irish history has been out of all proportion to that importance. The Nationalist Party had one aim and one aim only. It found in self-government the panacea for the ills of Ireland. The economic difficulties which we have been considering were, according to this point of view, entirely the result of political causes and could not be corrected without an enactment of Home Rule. Efforts in other directions were not only wasted, but were dangerous as postponing the day of real comprehensive reform. Thus the programme of the Party has been altogether lacking in constructive proposals. Everything was subordinated and sacrificed to the single claim. This policy had two unfortunate results. It created the belief that the only hope of prosperity lay in political changes, and it absorbed all the energy of the people. Few movements have enjoyed a greater loyalty or enthusiasm on the part of their followers than that with which the Irish have always supported their demand for self-government. Could but a portion of this loyalty and enthusiasm have been devoted to the practical problems of economic regeneration, the situation would have been far different. But this disproportionate interest in politics created a disproportionate belief in political remedies. Sir Horace Plunkett tells the story of a peasant in the West of Ireland who ceased planting potatoes on hearing that the Home Rule Bill of 1893 had become law. Spontaneous generation was but one of the many improvements in the natural arrangement of affairs to be secured through this panacea. What use was there in practical efforts when at any moment the enactment of Home Rule might inaugurate a new Utopia?

Only one other factor in the situation—namely, the absence of a satisfactory and effective educational system—need be mentioned. In few countries, indeed, has such a system been devised

for the rural districts. But in Ireland the existing facilities from top to bottom were such as to aggravate rather than cure the process of economic and social decay which was occurring. The ordinary primary education, which was not compulsory at all until the passage of the permissive Act of 1892, did not form the necessary foundation. Secondary schools were independent of central authority and frequently unsatisfactory, while technical education in agriculture was practically unknown. Finally, Trinity College, Dublin, had never taken a real part in the life of the country, and the other institutions of higher learning were of comparatively little importance. The individual received no adequate general or special training for his life as a wealth-producer and as a citizen. In the latter connection, the autocratic system of local government which prevailed up to 1898 was of very little use for the development of a civic consciousness. The mass of the people had no voice, and so no intelligent interest in the manner in which they were governed. The complete inadequacy of educational agencies, formal and informal, was a constant and serious handicap to the spread of the co-operative movement.

We have considered in this chapter some of the more important economic and social facts which confronted the pioneers of the co-operative movement. It has been impossible to cover every element in the problem or to give each the attention which it has deserved. In later chapters some points will receive further consideration. However, this brief summary should have sufficed to indicate that at bottom the Irish question is an economic question, demanding primarily an economic remedy. Up to the last few decades of the nineteenth century it had grown steadily worse, reaching a crisis, as we shall see, in the eighties, when foreign competition became very severe. For many this extreme case of social and economic pathology was disheartening, and led them to seek a panacea in political change. But happily, for a few poverty and distress were a challenge to practical effort. For them the real solution seemed to lie in the reawakening of the Irish

people. Their potentialities, as well as those of the country itself, promised rapid developments once the burdens of an unhappy past could be loosened and a constructive programme put into operation. With such a programme, as found particularly in the co-operative movement, we are concerned in the subsequent pages.

CHAPTER II

LAND LEGISLATION IN IRELAND

No Government, however unsympathetic, could altogether ignore the many evils of the Irish situation. We have seen how at one period the legislation of the English Parliament was directly hostile to the best interests of Ireland. But this policy was temporary and prompted by ideas prevalent throughout Europe at the period. The same narrow attitude toward possessions which lost Great Britain a large part of the American continent was equally responsible for the course of English legislation in regard to Ireland. There followed a period during which Irish interests were not so much maliciously treated as blundered about or ignored. The legislation to meet the distress of the Great Famine was an instance of the former, Free Trade of the latter. But since the latter half of the nineteenth century, the effort has on the whole been better directed. Mistakes have been made and many important matters too long ignored. But considering the many difficulties and misunderstandings which it must be admitted the Irish themselves have tended rather to aggravate than to remove, the activities of the English Government deserve more credit than they generally receive. We shall now deal with certain of these activities, which have had a considerable effect upon the co-operative movement and which have combined with it for the economic regeneration of the country.

State action in Ireland has been concerned largely with the problem of land tenure, a fundamental cause of the distress of the country. Energetic as the Irish farmer might become, scientifically as he might learn to apply his labor, completely as he might organize for the conduct of his business, without a reform

in the land system no real improvement in his situation could be assured. Tenancy under alien landlords who had never recognized the obligations of their position, and among a peasantry who had preserved a feeling of ownership in the land which they had so long occupied, could not succeed. It had either to be reformed by the addition of the indispensable conditions of a fair rent, free sale, and fixity of tenure, or to give place to an entirely new system. The course of land legislation in Ireland includes a trial of both methods; for an effort to correct the evils in the existing system led gradually but inevitably to the introduction of a new system of peasant proprietorship.

After many years of legislation in favor of the landlords and an attempt in the Deasy Act of 1860 to give the tenant the full but illusory advantages of free contract, a real start in corrective efforts was made by the Land Act of 1870. The most evident agrarian abuse since the Great Famine had been the ruthless process of eviction by which the landlords cleared their estates of tenantry. These evictions had become more serious following the Encumbered Estates Act of 1849, which, despite its advantages, created a new class of proprietors even less interested in the welfare of the tenants than their predecessors. The revolutionary outbreak of the Fenians and the rapid growth of secret societies throughout the country were the more apparent symptoms of a general discontent and disaffection. Only in Ulster, where the inherited claim of a certain measure of ownership by the peasant was recognized, were conditions somewhat better. Yet elsewhere a very strong reason for the acknowledgment of this claim lay in the fact that any improvements which were made were the work of tenants. The English system under which the landlord provided all the buildings and permanent investments seldom applied. Nevertheless, the tenant had no legal protection against eviction and the confiscation of the results of his work.

The Act of 1870 attempted to meet this situation. It applied particularly to yearly tenancies up to the value of £100, the most

abused class of holding. By giving legal recognition to the customary right which prevailed in Ulster, the tenant became, as it were, co-owner with the landlord. In case of arbitrary eviction, he was entitled to compensation for his disturbance. Also he might claim payment for the improvements which he had carried out. Thus the tenant was guaranteed a certain fixity of tenure and might expect to realize something for his share in the holding. The Land Commission provided a judicial machinery for the purpose of determining such claims in cases where no voluntary agreement could be reached. The Act did not interfere with the sacred rights of property. It only protected the tenants against some of the more obvious disadvantages of their position.

But half-way measures dealing with such a complex problem neither deserve nor in fact often attain much success. Although a certain measure of fixity of tenure and freedom of sale was assured, and the arbitrary action of landlords thus received some check, eviction for reason was still legally justified, and reasons were not difficult to supply. The prosperity of agriculture during the years following the enactment of the law made possible a rapid increase in rents. But with the failure of the crops in 1878 and the consequent inability of the tenants to meet their obligations, evictions again grew in number. Yet of the 6163 applications for compensation before the Commission during the period 1871-1880, only 1808 were successful. Moreover, while eviction, though made more expensive, was not prevented, it was always possible for the landlord to claim competitive prices for the tenant right, and thus the seeming privilege became really an additional handicap. The importance of the Act of 1870 as a step in Irish land reform lay, not in the results achieved, for they were negligible, but in the recognition that the tenant had a claim upon his holding.

The renewed agrarian agitation under the leadership of the Land League, with the boycott as its effective weapon, and the report of the Bessborough Commission in 1880, which pointed

out the above facts, convinced Gladstone of the necessity of further legislation. "It is essential," declared the Report, "to recognize the state of things existing in Ireland and to acknowledge the co-ownership of the tenant with the landlord in a more complete manner than did the law of 1870." The Act of 1881, which has been called the Magna Charta of the Irish peasant, carried out this recommendation. To free sale and fixity of tenure was added the indispensable guarantee of a fair rent. The tenant retained the right in his holding recognized by the preceding Act, and at the same time might demand from the proper authority the determination of a fair rent. The authorities in this matter were the county courts and the reconstituted Land Commission. Or the proprietor and tenant might arrange matters themselves, and their agreement became valid and binding. This determination was to continue for a period of fifteen years, after which a revision might take place. Thus the rent became a regular charge. The tenant enjoyed complete security so long as he kept the conditions of his contract; and whereas, hitherto, the power of the landlord to raise the rent had virtually deprived the holder of the power of free sale, under the new conditions there was no such check. This was, in fact, the logical completion of the law of 1870. The interdependence of the "Three F's"—fair rent, fixity of tenure, and free sale—was recognized, and with these assured a satisfactory form of tenure was apparently achieved.

Yet despite the liberality of the law of 1881 and the enthusiasm of the Irish people for the reform, its success was far from realizing the hopes which were based on it. Agitation, punctuated by agrarian crimes of every description, continued. In 1886, the publication of the Plan of Campaign intimated that the tenants were bent on having things even more completely their own way. In case rents were considered unfair, there was to be a general no-rent strike on the estate in question, and the amounts withheld were to furnish the means for obtaining further concessions. Nor did attempted improvements of the law in 1887, 1891, and 1896

have appreciable results. Nevertheless, up to March 31, 1914, determinations had been made by the civil courts and the Land Commission in respect of 410,150 cases. Of these, 295,673 were for the first period of fifteen years, 111,794 for the second, and 2683 for the third. These represent a very considerable proportion of the total land holdings in Ireland. And the fact that already a very considerable number of third-term determinations have been made indicates that this legislation is still of importance. Evidently a certain number of Irish occupiers prefer tenancy to ownership, or believe that the present purchase prices are too high. Still, on the whole, the attempt to create a system of dual ownership has not been successful in solving the agrarian problem. In principle it seemed a good scheme. But writers of all parties and the Fry Commission of 1897 have pointed out its inadequacy. *Laissez-faire* had produced in rack-rents an intolerable situation; governmental control under a system of judicial rents had a hardly more satisfactory outcome.

The reasons for this failure are not difficult to discover. In the first place, the landlords had a grievance. The judicial rents represented decreases over the previous payments averaging 20, 19, and 9 per cent. for the three determinations. It seemed a legal confiscation of property, for in many cases the income of the owner was all but completely absorbed. Nevertheless, no measure of Irish reform could be withheld on that account. Irish conditions were so serious as to merit unusual treatment. Vested interests can never continue indefinitely to prey on any community; they must sooner or later suffer a reaction proportionate to their privileges. So long as the judicial represented a decrease over the competitive rents, this legislation was naturally popular with the tenant class. But it was not clear what the attitude of the tenants would be in the event of a market of rising prices. The measure of success attained by the rent-fixing legislation was the outcome of its incidental or particular results rather than a justification of its principles.

On this account, rather than because of any paucity of results, the law of 1881 must be looked upon as a failure. The rents were not fixed upon any particular or just principle. The decreases bore no real relation to the fluctuations in prices. What was determined was not so much a judicial as a popular rent. Out of this lack of a sound basis for the determination developed a dangerous abuse, calculated not to strengthen Irish industrial character as was necessary, but in fact to weaken it further. A most important factor in the determination of the rent came to be the evident prosperity of the tenant. One of the chief abuses of the rack-rent system reappeared in a new form. Thus of two brothers on similar holdings, the more lazy and inefficient paid a lower rent than the more enterprising. Not productivity, but production, and more especially the evidences of production at the fifteenth year, were the determining factors. The decrease in agricultural prices during the eighties was a great spur to increased efficiency of production in other countries, hastening the introduction of scientific agriculture, up-to-date machinery, and better methods of business organization. But in Ireland this quickening impulse was not felt for the reason that the depression was met largely through the decrease in rents. The attempt to put the landlord-tenant system on a fair basis by artificial means evidently did not meet the situation. A more comprehensive and revolutionary form of legislation was demanded.

The creation of a system of tenant proprietors as an alternative to the landlord system had early engaged the attention of reformers in Ireland. John Bright's land purchase scheme of 1866 did not materialize, but his propaganda bore fruit soon afterwards. The disestablishment of the Irish Church and the consequent sale of ecclesiastical holdings provided an opportunity for inaugurating the new system. An arrangement by which the State was to advance three-fourths of the purchase money to tenants on the Church estates who wished to purchase their farms was put into operation in 1869. Under these provisions over six thousand

holders came forward and were created peasant proprietors. The Land Act of 1870 likewise contained a clause providing for land purchase, as did the Act of 1881. But none of these Acts was largely successful. Even where the tenant was provided with all but a quarter of the purchase cost, this capital outlay was an insuperable obstacle. Further, the lack of land registration in Ireland involved heavy expenses for transfer, which the tenant could not meet. The total number of proprietors created by these early experiments was only 7665. Evidently a much more liberal measure was necessary if land reform was to be carried far in this direction.

With the Ashbourne Act of 1885 the purchase system became of real importance, and immediately proved that the more conservative measures would not suffice. A Committee of the House of Lords had proposed a comprehensive programme in 1882, suggesting the loan of the entire purchase money in order to create a peasantry of small holders. Though there was much opposition to this revolutionary step, the only alternative, that of land nationalization (for which Henry George had found an ardent disciple in Michael Davitt), secured little encouragement from any quarter. The Ashbourne Act provided a fund of £5,000,000, from which loans were to be made to such tenants as might secure the sanction of the Land Commission for the purchase of their holdings. The yearly annuity paid by the purchasers for this loan was fixed at 4 per cent. Three per cent. of this was allocated to interest charges; the remainder was to accumulate as a sinking fund to pay off the principal. This arrangement secured complete ownership for the occupier after payments of the annuity for forty-nine years. Such immediate success attended the promulgation of this Act that a further grant of £5,000,000 was made early in 1888.

This vindication of the policy of tenant purchase led to an even more comprehensive measure in 1891. An issue of land stock up to the value of £33,000,000, to be paid over to the landlords

in this form rather than in cash as provided in the previous Acts, was authorized. The allocation of the 4 per cent. yearly annuity differed somewhat from that under the previous Acts. The money was secured at a lower rate of interest ($2\frac{3}{4}$ per cent.), and the $\frac{1}{4}$ per cent. surplus was placed in a fund for the construction of laborers' cottages. This excellent provision was abandoned after the amending Act of 1896, by which the $\frac{1}{4}$ per cent. was added to the sinking fund. In this way the period of payment was reduced to forty-two years. Another change introduced by the amending Act provided for decadal reductions in the annuity, a wise foresight in case of a further drop in the prices of agricultural produce. Under this arrangement, the possible period of purchase was extended to seventy years. Yet despite their various advantages and the large resources available, these Acts were comparatively unsuccessful. Over the period to 1903, only 38,251 tenants had been converted into proprietors, in the aggregate a large, but relatively a rather meagre result.

The chief reason for the ineffectiveness of the Acts of 1891 and 1896 was the fact that the sale was not made sufficiently enticing for the landlord. While the land stock in which the purchase price was paid was at par or a premium, the transaction was profitable enough. But the heavy issues of Consols at the time of the war in the Transvaal seriously depreciated these kindred securities. Whereas in 1895 Irish land stock stood at a premium (it went as high as 114), it had fallen by 1900 to a position permanently below par. This fact quickly clogged the machinery of purchase, and by 1902 the new sales were reduced to an almost negligible number. Besides, there were many legal difficulties which were a constant hindrance. The purchases proceeded at such a slow rate that the completion of the change which had been considered a matter of a few years was relegated into the dim, distant future.

But the principle had been enthusiastically accepted by the Irish peasantry, and once started there was no turning back. The

annuities paid by the purchasers had been considerably lower than the judicial rents of their non-purchasing neighbors. This fact alone insured a continued agitation for further measures. There was even a considerable clamor for compulsory sale, which was demanded by the reunited Irish Party in 1900 under the influence of the United Irish League. The agitation began to assume the proportions of a land war. On their side the landlords organized and seemed determined to stand by their convictions to the last. Happily, however, the moderate people on both sides prevailed. It was proposed by Captain Shaw-Taylor to form a voluntary conference to consider this difficult problem, and his suggestion was immediately adopted. Representatives of landlords and tenants assembled under the chairmanship of Lord Dunraven, and eventually agreed upon a series of recommendations. This reconciliation, known as the Dunraven Treaty, marks a new epoch in Irish land legislation. It indicated the recognition of the common interest of landlords and tenants in the welfare of the country, and showed that the bitter antagonisms between the two groups of the population were gradually softening. Both sides conceded various points, and the compromise finally effected was embodied in the comprehensive Land Act of 1903.

The Wyndham Act, which took its name from the Chief Secretary for Ireland by whom it was introduced into Parliament, did not depart from the voluntary principle. It attempted rather to hasten the completion of land purchase which the Nationalists demanded, by gilding the transaction for the landlord as the low annuities had gilded it for the tenants. The sum of £100,000,000 which was considered necessary to complete the change was voted. This money was to be raised by an issue of stock at $2\frac{3}{4}$ per cent., and in case of its falling below par the deficit in the amount realized was to be made up by a grant from the Irish Development Fund. The annuity paid by the purchaser was considerably below that provided in previous legislation—namely, $3\frac{1}{4}$ per cent.—and extended the period of payment, without decadal

reductions, to $68\frac{1}{2}$ years. A new body, the Estates Commissioners, was created to administer the Act. It was authorized to purchase whole estates, which were then to be sold to the occupiers. Various provisions were introduced to stimulate sale by the landlords. It was stipulated that all payments were to be in cash, thus obviating the danger of fluctuating stock values which had so seriously interfered with operations under the Act of 1891. Further, the landlord was to be paid a bonus on his sale out of a special Treasury grant of £12,000,000, which amounted, therefore, to 12 per cent. Also, he was entitled to include his own demesne in the sale of his estate, buying it back from the Commissioners on the usual terms of a $3\frac{1}{4}$ per cent. annuity. In cases where the demesne had been mortgaged at a high rate of interest, this was a considerable additional advantage. The Act of 1903 marks the culminating point of Irish land legislation, and is, perhaps, the most important and suggestive enactment of its kind which has been passed in any country.

But the slowness of the transfer, caused by a provision of the law of 1903 which limited the issue of stock to £5,000,000 yearly, was a source of considerable criticism. The Estates Commissioners fell more and more behind in dealing with the applications made to them. For the tenants, the arrangements did not seem as satisfactory as in previous Acts. The zone system, which fixed the purchase price according to the existing judicial rents and involved a considerable increase over existing standards, was not popular. Meanwhile, the financial arrangements broke down completely. The stock issued at $2\frac{3}{4}$ per cent. fell in the markets to a very considerable discount, requiring large inroads upon the Irish Development Fund to make up the deficit. Moreover, the law did not deal adequately with the problem of congested districts, many of which were found to exist outside the areas officially known by that name.

The law of 1909 grappled with several of these shortcomings. The interest rate on the stock issued was increased to 3 per cent.,

and the annuities were raised correspondingly to $3\frac{1}{2}$ per cent. The heavy deficit already existing was to be settled by the intervention of the Treasury. In place of a fixed bonus of 12 per cent., this additional payment to the landlord was now graded according to the price paid. The problem of congestion and the unwillingness of certain landlords to sell was partially solved by the extension of the area under the jurisdiction of the Congested Districts Board and the investiture of that body with compulsory powers. The Estates Commissioners were given the same powers in respect to "congested districts" outside the jurisdiction of the Board. These modifications and additions have brought the programme laid down in 1903 much nearer completion.

The actual result of the land purchase Acts in Ireland has been to create a country of peasant proprietors. By March 31, 1915, nearly 300,000 holdings had passed into the hands of their occupiers. These represented nearly ten million acres of land. At the same time, an additional 100,000 holdings of over three million acres were in process of negotiation. Together these comprised more than three-quarters of the soil of the country. A sum of nearly £100,000,000 had been advanced by the Government in order to achieve this remarkable result. Ireland has, it is true, not yet seen the end of agrarian legislation. There have already been several efforts to amend further the Act of 1903. Of the proposals made, the most important seems to be the extension of compulsory sale throughout the country. Such a measure, however, would be a last resort against a small and recalcitrant minority. The effects of the present heavy issues of Government securities at a high rate of interest is another matter which will inevitably require adjustment after the war. On the whole, however, the problem of agrarian tenures in Ireland has been solved. The Irish problem is now chiefly a problem of small peasant proprietors.

Several details in connection with Irish land purchase legislation merit passing attention. There was a very considerable

danger that the newly created proprietors would be induced to mortgage their holdings, and thus fall into the clutches of the money-lenders. Likewise the practice of subdivision, which had already brought baleful results on the country, might as well occur in cases of ownership as of tenancy. These very real dangers were guarded against by provisions of the various purchase Acts. Mortgage for any considerable amount and subdivision of holding were forbidden without the consent of the authorities concerned in the sale. Another matter in which difficulty was anticipated was the payment of the annuities. It was pointed out that "No annuities" was as practical, if not as euphonious, a cry as "No rents." The possibility of a general strike against the payment of the yearly instalments was not remote. And yet the purchasers have shown exemplary promptitude and regularity. The outstanding payments in arrears have never reached a large figure. Thus in 1914 there was due under this head only £12,500, of which the greater part was only temporarily in arrear. The attitude of the Irish people in regard to their purchases has been of a very encouraging nature.

Closely connected with this legislation concerning the system of land tenure, and in fact enacted in the same statutes, have been the efforts to deal with the problem of the "congested districts." Along the western seaboard the poverty and wretchedness of the people were particularly acute. Generously as Ireland has been endowed by nature, the variations in the productive power of the land are great. In the west the arable soil which finds lodgment among the islands of rock and the seas of bog is both scant and poor. Thus the evils which affected Ireland generally appeared there in an aggravated form. Competition for the miserable holdings was intensified by the clearances, which as elsewhere turned over the better lands to grazing. Even the best holdings in Ulster commanded no higher rents. A birth-rate above that in any other section of the country increased the hopelessness of the situation. The economic holding was almost unknown, so

repeated had been the subdivisions. Only the returns from subsidiary occupations, such as kelp-burning, fishing, and home industries, kept many from starvation. Others depended on remittances from America, whither large numbers from this section of the country had been forced to emigrate. Another group traveled regularly to England and Scotland as laborers for the harvests, returning with sometimes as much as £10 which they had saved to live in luxurious idleness in the rude cottages which served as their winter homes. Only very comprehensive measures, entailing a complete reconstruction of their social and economic life, could free these people of the congested districts from their hopeless situation.

The first legislation dealing particularly with this problem formed a section of the Land Act of 1891, and provided for the establishment of the Congested Districts Board. All electoral divisions where the average valuation did not exceed £1 10s. per head, provided that more than 20 per cent. of the population of the county lived under these conditions, were constituted as special districts under the jurisdiction of the Board. Other areas might be added by the Lord-Lieutenant at his discretion, and in fact the changes made following upon the Report of the Royal Commission appointed to inquire into the work of the Board in 1908 increased the scope of its activity until at present it embraces practically a third of the country. The population of these districts, more than doubled by the provisions of the Act of 1909, was in that year considerably over a million. The Board, under whose jurisdiction these people were placed, was composed of ten members (later fourteen) selected irrespective of party considerations, and was made quite independent of outside control. Their annual income has varied from £41,250 to £231,000, and since 1909 has been increased to £250,000. The powers granted were commensurate with the problem faced. The Board might aid in emigration or in migration to more fertile holdings; it was to develop agriculture, forestry, fishing, weaving; was, in fact, to

concern itself in every possible way with the welfare of these peoples. The aim was not the immediate relief of exceptional distress—a policy whose worthlessness had been indicated by various activities of the Board of Works—but rather the employment of constructive measures for the development and lasting improvement of backward districts.

Under the provisions of this Act, the Board now deals with a total of 429 electoral divisions, practically confined to the West of Ireland. So constituted as to secure the confidence of the people, it has succeeded in carrying out its programme of amelioration in a generally successful manner. Its largest work has been the purchase and resettlement of many large estates in the congested districts. The problem was very largely one of the redistribution of the land, of which the better portions had been devoted to grazing. By the Act of 1909 compulsory powers for the purchase of land were given, which added considerably to the effectiveness of this work. For the entire period during which the Board has been in operation, a total of 13,048 holdings aggregating 351,479 acres has been sold to tenants, in many cases after considerable permanent improvements had been made. The distribution of the "Congests" into economic holdings has been of primary importance in preparing these districts for work of a more educational nature.

The educational work of the Board has, since the Act of 1909, been very largely transferred to the Department of Agriculture and Technical Instruction, with which we shall deal in a later chapter. In the early days, however, this activity formed one of the most important features of its work. The maintenance of "example plots," the popularizing of potato spraying, the improvement of live stock and poultry, the provision of good seeds, the introduction of new methods of cultivation to replace the primitive methods in use, and many other measures calculated to develop a more scientific and successful agriculture were undertaken.

The third general form of the activities of the Congested Dis-

districts Board has been the development of subsidiary industries. The backward state of the sea fisheries off the West coast of Ireland was early recognized, and an attempt made to secure for Irish fishermen some of the natural wealth which has always attracted fishermen from other countries to that district. Both in the provision of nets and boats, and in developing markets the Board has done a considerable work. Likewise an attempt has been made to reach the women by the development of various home industries, such as lace- and crochet-making, knitting, embroidery, and the weaving of tweeds. Some effort has also been made to restore the kelp industry, but unfavorable market conditions have steadily diminished its importance as a source of subsidiary income.

The work of the Congested Districts Board has undoubtedly been of great value in these specially distressed districts of the West. The improvement in dwellings, the extirpation of disease, a higher standard of living—all these indicate a real success. The tendency toward paternalism, with the corresponding discouragement of self-reliance and independence among the people themselves, has been the greatest danger. But the Board has recognized this, and has endeavored to do its work in a way which would encourage individual initiative. It justifies its paternalistic methods by the extreme conditions among the people with whom it deals. It recognizes the necessity of educational and organizing work. Still, the fact that the Board is a State agency, financed by a Government grant, and not an activity by and of the people themselves, is ever a possible danger which must be neutralized by other forces if the really great potentialities of the people of these districts are to be developed.

Land legislation and the activities of the Congested Districts Board have thus effectively met some of the fundamental causes of Irish distress. The application of a reasonable system of land tenure was undoubtedly essential to the development of agriculture. Likewise, only a certain amount of paternalism could meet

the extreme conditions of the Congested Districts. But successful as this legislation has been, it was not without limitations, nor without features which, unless balanced by other efforts, would have eventually led to still greater economic depression. The establishment of a system of peasant proprietorships taken by itself was quite incapable of solving the problem. In fact, the settlement of the question of land tenure only increased the urgency of other steps. The real criterion of the land legislation must be found in its effect on the character of Irish farmers. This, as we have seen, was the fundamental problem. From such a point of view, all forms of legislative action in Ireland were to be looked upon with suspicion. The Acts which we have discussed seemed particularly dangerous. In order to secure the ready acceptance by the peasantry of the land purchase scheme, the annuities required were reduced considerably below even the judicial rents. Thus the new lords of the soil owed their position, not to long-continued and earnest efforts, but rather to forced legislation which made them, almost in spite of themselves, the debtors of the State for a reduced yearly charge. For many of them the annuity remains a "rent," and they have little real understanding of their true position. The tenants bought largely because it was to their immediate advantage in yearly expenditure to do so. To the additional advantages of ownership over tenancy they paid little attention. Thus the danger of a drop in productivity, commensurate with the decrease in payments, was very great. For these reasons it may be said that alone the Irish Land Acts would have had little advantageous effect on the economic situation; that only because other measures were contemporaneously taken has this activity of the State been successful. The most striking and most successful of these measures was that movement to whose history and principles and achievements the remainder of this book is devoted.

CHAPTER III

EARLY HISTORY OF THE IRISH CO-OPERATIVE MOVEMENT

IN the crisis into which Ireland had fallen by the last quarter of the nineteenth century, and for which the land legislation was only a partial remedy, there fortunately appeared a man with a constructive policy and with the energy and courage to put it into effect. Sir Horace Plunkett will be known among the great statesmen of Ireland because the co-operative system which he inaugurated and so largely carried out is the basis of the new economic and social structure of the country. This policy was built to meet the peculiar difficulties under which, as we have seen, Ireland was laboring. It knew, consciously at least, no European model. It gained much in principle and encouragement, but little in practical direction from the co-operative movement in England. It was an Irish movement, created by Irishmen to meet Irish conditions. Nevertheless, its success has already won for it the recognition of social reformers everywhere, and the programme of rural reconstruction for which it stands has found acceptance, not alone in England and Scotland, but in countries as remote as Finland and India. To meet the manifold problems of economic distress and social instability upon which the activities of the State alone could have but a slight effect, Sir Horace Plunkett proposed a new agency, entirely voluntary, and based upon the principle of co-operation.

The principle may be defined in more general terms as organization for common effort on a basis of equality. In Ireland, as elsewhere, it had been of primary importance under earlier and

more primitive conditions. Anthropologists have yet to discover a race which has not depended on mutual aid in its early struggles for survival. The long persistence of primitive conditions in Ireland, which some one has said seemed to have emerged late from the hands of the Creator, was accompanied by the late continuance of institutions and customs founded on co-operative effort. The land system in vogue, by which ownership was vested in the tribe or sept, has already been noted. Likewise, the social life of the people was organized on a community basis. Though modern co-operation in the more specialized sense has very little resemblance to this tribal organization, it does depend on the same fundamental qualities of human nature. The heritage of associative faculties which had been developed was of the greatest value in the new movement.

Already in the early part of the nineteenth century, the persistence of this trait in Irish character had been proved. The success and tragic failure of the Ralahine community is among the romances of co-operative history. Strangely enough, that experiment, which was connected with the early pre-Rochdale movement, took place in the country districts of Ireland, not far from the site of the first co-operative creamery. It developed out of a visit to Dublin in 1823 by Robert Owen, who, if not the father of the Rochdale movement, was certainly its forerunner.* Seldom does the missionary of a new gospel secure a more enthusiastic follower. The meeting in the Rotunda at which Owen exposed the theory of a co-operative commonwealth was attended by John Scott Vandeleur, a large landowner in County Clare. Aroused to enthusiasm by the Utopian dream which was set forth, and convinced, after some years of deliberation, of its practicability,

* Previous to 1844, the date of the foundation of the Rochdale Society, which is generally looked upon as the beginning of the co-operative movement as we know it to-day, there were many co-operative societies in England. These largely followed the teachings of Robert Owen, and were far more Utopian than the present co-operative movement. They were to lead very shortly to the Co-operative Commonwealth.

he determined to put the scheme into operation. In 1831 J. C. Craig, a disciple of Owen, was brought over from England to take charge of the experiment. He was confronted by a situation which would have daunted a less resolute champion. The whole countryside was in a state of unrest bordering upon revolution. Now and again, as their abject condition became unbearable, the peasantry burst forth into all forms of excess and outrage. Craig himself first succeeded to a position as overseer left vacant through the murder of his predecessor, and on more than one occasion his own life was threatened. However, an association was formed which took over a large section of Vandeleur's estate and proceeded to conduct it on a communistic basis. The land was tilled in common and, while family life was not destroyed, its interests were subordinated to those of the group. A system of labor cheques such as Owen had devised for his so-called labor exchanges formed the currency of the community. "Under this régime the landlord was relieved of anxiety and care for his property and person; the laborer was industrious, cheerful, and contented; machinery was hailed as a blessing instead of being denounced and destroyed as a curse; the land already under cultivation was improved, and a large tract of that which had hitherto been waste was brought into a state of high tilth by spade labor. The people were instructed and amused; idleness, drunkenness, quarreling, mendicity, and a host of kindred evils were utterly banished, whilst the effect upon the surrounding population was of the best possible kind, repressing revenge and raising hope in moody and discontented breasts, from which the former had never been absent and the latter had never dawned."*

This amazing success of the co-operative principle, though applied in a form quite different from that taken by the modern movement, indicated the natural aptitude of the Irish peasantry for combined action. And though, through no fault of its own, this little co-operative commonwealth on the Shannon finally

* William Pare, "Co-operative Agriculture" (Longmans, 1870), p. xviii.

failed, after two years of most encouraging development, its short life had illumined for a moment the future of Irish co-operation.

In 1888, after a long absence in America, Sir Horace Plunkett returned to his home in Ireland. The situation was critical. To all manner of evils within the country itself was now added the competition of the foreigner. Ireland no longer enjoyed extraordinary advantages on account of her close proximity to the markets of England. The adoption of Free Trade in the interests of the English manufacturing classes in 1846 had put an end to artificial barriers against foreign competition; science and inventive genius had now reduced the natural barriers until they were negligible. Grain freights from Chicago to Liverpool were more than halved between 1871 and 1884; the price of wheat dropped 41 per cent. At the same time Irish transport facilities did not keep pace with these improvements. The rates for carriage from many points in Ireland to the English markets exceeded those from the more distant parts of America.* In this way, not only were the virgin resources of new lands arrayed against the Irish farmer, but also the more efficient and scientific production of old countries which had already met the problem of a declining agriculture. Beef from the Americas and butter from Denmark were rapidly displacing Irish products. The latter country, after a period of depression and poverty quite as serious as that from which Ireland was suffering, was now rapidly rebuilding its economic structure by means of co-operative organization and agricultural education. Quite independently, Sir Horace came to the conclusion that in these two agencies—and primarily the former—lay the salvation of his own country.

The Co-operative Union, the propagandist body of the English industrial movement, had already recognized the possibility of

* The Vice-Regal Commission on Irish Railways in 1910 declared that a reduction in rates was urgently needed. But it also pointed out that this was impossible without Government purchase and so Government subsidy, and that the most immediately practicable step was to improve the methods by which Irish produce was prepared for shipment, and the regularity with which consignments were sent.

co-operation in Ireland. In 1888, at a meeting held at the Irish Exhibition in London, much interest had been aroused by a paper read by Benjamin Jones, a leading English co-operator, on "The Possibility of Developing the Resources of Ireland by a Scheme of Co-operative Production," and a committee, known as the "Irish Co-operative Aid Association," was formed to give practical effect to his suggestions. This body was almost immediately dissolved, however, when it was found that the Co-operative Union was ready and willing to undertake the proposed work. In pursuance of this undertaking, its secretary, J. C. Gray, made two visits to Ireland, and his report on the number and condition of the existing societies at the Congress of 1889 was followed by a grant to the North-Western Section, of which Ireland was considered a part, of £50 for a vigorous propaganda.

Mr. Gray found that there were thirteen co-operative stores already at work in Ireland; some of these had achieved a measure of success; others, like the Dublin Society, were on the verge of failure. "The miserable poverty of most of the people makes it almost impossible," he stated, "that they should commence co-operation on their own initiative; and were even that possible, they lack the confidence in each other necessary to success."

Nevertheless, his outlook was not hopeless. "That the time is ripe for co-operative work in Ireland I am fully convinced. The Traders' Defence Association of Scotland has already been on the ground before us, and is giving us gratuitous advertisements in the Irish newspapers, as will be seen by the following example which has been cut from the *General Advertiser*:

'CO-OPERATION v. PRIVATE ENTERPRISE

'To the Editor, *General Advertiser*.

'Traders' Defence Association of Scotland,
'3 West Campbell Street, Glasgow,
'23rd August, 1888.

'SIR,—Allow me to draw the attention of your readers to the

following: On Wednesday, 1st August, at a meeting of co-operators held at the Irish Exhibition, London, a committee was appointed "To endeavor to carry the system of co-operation into practical operation among the Irish agricultural and industrial classes." Speakers at the meeting said they wished to see co-operation worked out in Ireland the same as in England and Scotland, so the traders in Ireland may know what will be the result should the scheme be carried out.

'I draw your readers' attention to this that the manufacturers and wholesale and retail traders in Ireland may be warned in time, and that they may not make the mistake made by their brethren in Scotland and England, in allowing this delusive system of trade to take hold and increase; but take action in time, and prevent it gaining a foothold at all.

'The above association has been formed by the Scottish traders to do all that legitimately can be done to free our trade from the unfair competition of co-operative stores as at present conducted, and we will be glad to communicate with any similar association that may be formed in Ireland.

'I am, etc.,

'ROBERT WALKER,

'Organizing Agent.'

"On behalf of the co-operative movement generally, I should like to thank the Traders' Association for this splendid testimony to the efficacy of the co-operative system."

During his visit to Ireland Mr. Gray had come in contact with a number of sympathizers in the co-operative movement, including Sir Horace Plunkett. An article by the latter had recently appeared in the *Nineteenth Century* on Co-operative Stores in Ireland, in which he showed the particular value of the movement for that country, and the necessity of a strong propagandist effort. He referred to the success of the experiment at Dunsany which he had started before going out to America. Again we quote Mr.

Gray's report: "This store has been established eleven years. It owes its origin to the efforts of Mr. Plunkett, who, by reading an account of the co-operative system in some work on political economy, endeavored to put these principles into practice by starting a store. The difficulties at starting were great. The light of the Central Board had not penetrated thus far, consequently the promoters knew not where to turn for advice as to the best method of constituting a society. It thus came about that the store was registered as a company under the Joint-Stock Act, instead of taking advantage of the Industrial and Provident Societies Act. When I state that capital has enjoyed a dividend of 10 per cent. under this constitution, and although a dividend has been made for the customers, the members have been compelled to take it out either in cash or goods, you will understand what I mean when I say that the advantages of thorough co-operation have not been enjoyed by the members of this store. Since my visit, the directors have decided to adopt the suggestion then made that the company should be converted into a society on our model, giving capital 5 per cent. and letting the members share the full benefits of their purchases and accumulate their profits. They have also paid the full subscription to the Co-operative Union, and promised to co-operate with us in any work of organization."

The first efforts in Ireland were, therefore, modeled upon the English pattern almost exactly, and for a time Sir Horace Plunkett shared the view that co-operation by consumers was the first step; yet little success attended the efforts which were now made in this direction. Even in England, where co-operation was thriving, the rural districts were barren of societies. The country trader was not to be displaced so easily, especially since a large part of the community was in his power. On the whole, for such districts general stores seem to be a later step, a development out of other co-operative undertakings.

In this connection, the history of the Doneraile Society, one of the two new stores established as the result of this new propa-

ganda, is illuminating. Only the strategy of the committee upset the plans of the traders to wreck the society at the start. Then difficulty was experienced in the matter of supplies. The Irish wholesale houses—no doubt under pressure—boycotted the new store, so that goods had to be brought from England. Likewise, the local bakers refused to sell bread to the society, which was equal to the emergency and proceeded to build its own ovens. The masons employed on this work received many intimidating letters. Against such bitter opposition, coupled with the inertia of the farmers, there was apparently little hope of progress.

Fortunately, greater success seemed possible in another direction. At this time, among the industries of the Irish countryside, which were in imminent danger of ruin on account of the competition of more advanced and better organized neighbors, was that of butter-making. Irish butter, which at one time enjoyed an unchallenged supremacy in the English markets, had already lost that position. The home-made article, fine as it sometimes was, could not compete with the standardized product of the creameries of Denmark and Normandy. Beside the uniform unvarying product of the centrifugal separator and the mechanical churn, the household product seemed unsightly and unpleasant. At its best, it hardly surpassed the creamery product; at its worst, it was unfit to adulterate margarine. Yet Irish farmers showed no inclination to make use of the new methods. Canon Bagot, who zealously devoted an active life to an effort to arouse them, met with very slight success. His enlightened proposal to establish co-operative—or, more properly, joint-stock—dairies, together with a central executive council to be elected by the local associations for the purpose of superintendence, advice, and assistance in marketing, was a close anticipation of the developments soon to be realized. But, despite the fact that his propaganda extended through the country, it was found impossible to overcome the general inertia. The conservative agricultural class preferred to await the capitalist entrepreneur who would lead the way—and

absorb the profits. And, indeed, by 1889 private enterprise was already entering the field, and the proprietary creamery seemed destined to become the chosen, though inefficient, instrument for the rehabilitation of the Irish butter industry.

In this situation Sir Horace Plunkett perceived an opportunity for a more successful application of the co-operative principle. While societies of consumers for the purchase of general necessities might be difficult to establish in the country districts of Ireland as elsewhere, organization on the productive side of the farmers' business was an alternative worth consideration. In this modification of his original co-operative programme, Sir Horace was following—although unconsciously—experience already gained on the Continent. In dairying, a new method of business organization could be combined with an equally novel and more efficient method of production. And, though the application of co-operation along this line was bound to encounter the additional obstacle of a general aversion toward new methods, the arguments for the proposed system were thereby strengthened. Moreover, while the Irish butter trade was undoubtedly in the hands of vested interests, these were not so seriously or immediately affected as in the case of the country traders. The challenge was greater, but the potential advantage to Irish farmers, and so to Ireland generally, was increased to an even greater extent.

For these reasons, the propaganda of the new Irish Section of the Co-operative Union was not confined to the formation of co-operative stores, but was directed as well to the organization of societies for the construction of creameries. Sir Horace read a paper at the Congress of 1890 on "The Best Means of Promoting both Distributive and Productive Co-operation in Ireland," in which he indicated the possibilities in both directions. The discussion which followed showed the deep interest taken by the English co-operators in this new effort. While two stores had been established during 1889, the more significant and important achievement was the Drumcollogher Co-operative Creamery

Society. It represented the firstfruit of an arduous and at times discouraging campaign. The persistence and patience of Sir Horace Plunkett and his loyal band of supporters was tried and tested in every way by the ignorance and suspiciousness of the Irish farmers. The first meeting in Lord Monteagle's dining-room at Foynes, Co. Limerick, was followed by fifty more, without visible results. At cross-roads, in cottages, in the houses, wherever an audience could be gathered, the strange "foreigner" preached his gospel. On one occasion the agricultural community was represented by the dispensary doctor, the schoolmaster and the head constable. Sometimes the seemingly enthusiastic reception proved to be the work of scoffers, and proceedings had to be adjourned to more quiet quarters. Still, the workers persevered, gaining a few new sympathizers here and there; and though the year's achievement was not remarkable, it was the beginning. The Drumcollogher Creamery Society, to whose organization we shall return in a later chapter, was immediately successful, paying the highest price for milk in its neighborhood, and emerging at the end of the year with a profit of £417 on a turnover of £9660. Convinced of the value of the new Irish movement, the Co-operative Union made a grant of £150 for two years, which, with £250 from Sir Horace Plunkett, made possible a more vigorous propaganda in 1890.

In that year the workers devoted all their energies to the creameries, and definitely abandoned organization of farmers as consumers. The difficulties were great, however, and no new creamery was actually established, though eleven were reported in the course of formation. Drumcollogher continued successfully, making a good profit. The Co-operative Union indicated its confidence by an additional grant of £200 to the Irish Section for 1891. This made possible the employment of a paid organizer, and Mr. R. A. Anderson, who was selected for the position, was a most fortunate choice. He set to work with characteristic energy, holding over two hundred meetings, and, in addition, he paid a visit to Sweden,

then far in advance of other countries in machinery, skill and organization. At the Co-operative Congress of 1892 he was able to report a total of seventeen creameries in operation. When he had begun his work in 1891 there were only two. The progress was continued in the following years, and the Irish Section reported at succeeding Congresses the steady spread of co-operative principle. Mr. Anderson, in his report for 1892, declared that the country was showing "a far greater interest in the co-operative movement than hitherto." In 1893 special investigation revealed the fact that there were twenty-five creameries in operation, and that this success had been achieved despite the greatest difficulties. On account of Mr. Anderson's illness, the advance reported in 1894 was less rapid, but sustained. At the end of that year there were registered fifty-six dairy societies, with eight branches. In the meantime a federation, the Irish Co-operative Agency Society, had been established, and had, after a disastrous beginning, re-established itself on a firm basis. Ten co-operative agricultural societies, for the supply of agricultural necessities, had been formed, largely with the help of the Rev. T. A. Finlay, S.J., who had joined the movement at this time, and one agricultural bank. We shall return to these developments in later chapters. This total of sixty-seven societies with about four thousand members represented a movement far beyond the powers of individuals or a comparatively informal group to direct and supervise. Moreover, the Co-operative Union, largely an association of industrial societies, became involved in the struggle between the Co-operative Wholesale Society and the Irish creameries—a chapter of considerable importance in co-operative history to which we shall recur later. This was the more immediate cause for the decision of the leaders of the Irish Section to withdraw and assume a more independent position. Further, it was clear that if the new movement was to play a real part in the life of the country, it must be more thoroughly self-directed and more completely organized. Up

to this time it had been too much a philanthropy, too little an activity of Irish farmers themselves. Home rule and democratic rule were essential for further development. The result of this necessity was the formation in 1894 of the Irish Agricultural Organization Society, which from that time has directed the development of the movement.

The forces with which the co-operative movement in Ireland has contended were such as would have effectively discouraged less resolute pioneers. It was a perpetual struggle, not only against the natural enemies of a new form of economic organization, but also against those who might have been expected to give it their support. In the first category were the traders, whose position as the middlemen of the agricultural community was threatened. Co-operative creameries, only slightly less than co-operative stores, constituted a menace to their established interests. The principle that men should unite to carry on business, which might be conducted for them on an individualistic basis, was bound sooner or later to interfere in a more serious manner. Thus the societies for the supply of the requisites of production, which followed the creameries very shortly, were a direct attack upon their position. They used every means—not always fair—to combat and discredit the co-operative system. The Press formed the medium for constant and bitter attacks. Even to this day the *Skibbereen Eagle* screams occasionally, and the *Mid-Ulster Mail* brings alarming reports of the iniquities of co-operation. But this opposition, serious as it was in the early days, was overcome, and is now an asset rather than a hindrance to the movement. Co-operation attacks the individualistic system, and the opposition of the representatives of that system is inevitable. No co-operative movement can be established without it, and since it is more easy to understand, it is not so difficult to combat.

It is not so easy to explain the position of the Nationalist Party, which has—with a few honorable exceptions—stood in frank

opposition. This attitude indicated a lack of faith in their own appeal. From their point of view, co-operation, like all other agencies for the improvement of the economic and social conditions of the country, was a menace to Home Rule. No other reform which might bring prosperity could precede this. To attempt such was to draw a red herring across the path. There must be poverty and distress in the country in order to maintain the unrest which seemed to be regarded as necessary for the Nationalist propaganda. The *status quo* was their vested interest. It had been enough to see the powerful lever of the land agitations weakened by agrarian legislation. To improve the position of the people further was to destroy Home Rule utterly. This political antagonism to what has always aimed to be a non-political movement has been very serious, as will become apparent in later chapters. The power of the Nationalist Press has been ranged against co-operation, and when the movement has been in a position to be affected for good or ill by legislative action, the Party has always been consistent in its attitude. It was often claimed that co-operation was a work of the Unionists, a plot to undermine the true principles of nationality. On the other hand, some Unionists, with equal vehemence and perhaps greater foresight, have asserted that it was a new form of Nationalism. At an early meeting in County Tipperary a promising project for a co-operative creamery was wrecked by the declaration of an excited listener that "Butter must be made on Nationalist lines, or not at all." But while the official Party point of view was no doubt sincerely held by many, this opposition was fundamentally a trade opposition. Since farmers were pacified by success in the land war, the traders have dominated the political life of the country. In its conflict with the Party, therefore, the co-operative movement has been fighting for more than its own existence. It has been working for the recognition in political matters of a certain large class of the population, whose interests in the hands of another group had not been properly protected. As a demo-

cratic movement co-operation has been opposed by the opponents of the true democracy.*

But the most serious obstacle to the co-operative movement was and remains the conservatism of the Irish farmer. Many projects which would have brought great benefit to the country have been abandoned because the lords of the soil were suspicious, or did not understand. Every sign pointed to a similar fate for co-operation. In the early days it was usual for Sir Horace Plunkett and Mr. Anderson to be asked to come along and build creameries of their own at which the farmers might sell their produce. The failure of a creamery in one place poisoned the ground for miles around; success was as often incomprehensible. Those who see to-day the movement which has been created, and who find even in non-co-operative districts the vague belief that it has proved of great benefit to the country, little realize the discouraging reception of the new gospel in the early days. Then it was often almost forcible persuasion. The priest and the school-master, and perhaps the gentry, were convinced; the others followed their lead because it was their custom to do so. It is a great tribute to the perseverance of the pioneers that despite this inertia on the part of the people whom they aimed to benefit such a large measure of success has been attained.

The credit belongs largely to Sir Horace Plunkett. It has been his untiring zeal and the inspiration of his leadership which has brought, despite every form of opposition, the gradual acceptance of the co-operative principle, and its practical application throughout the country. His own personality and connections seemed very much against him. Avowed convictions on other questions which were not in line with those of the mass of his countrymen, in a country in which nothing was deemed extraneous to the matter in hand, apparently precluded the success of his

* In support of this view it is interesting to note that the modern Sinn Fein movement, which represents to a large extent a democratic revolt against the Party machine, reckons many staunch advocates of co-operation among its leaders.

activities. He was of the Ascendancy, a Protestant, a Unionist, and of a family which held large domains in County Meath. No more damning qualifications for the leadership of a movement among the Irish peasantry could have been combined. Parnell, Protestant and landowner though he was, shared the political convictions of the mass of the people. The echoes of the Land War still reverberated throughout the country, and many would not believe that co-operation was not a deep-laid scheme to make possible an increase in rents. Others were rendered suspicious by Sir Horace's avowed Unionism. How a person of his politics and religion and class could be unselfishly interested in the welfare of Ireland and the Irish peasantry was beyond comprehension. And withal, he was a quiet man, not given to the boisterous geniality which was an essential of popularity among many of the farmers. Yet notwithstanding, Sir Horace Plunkett successfully attacked as difficult a problem as any reformer ever faced—the awakening of a people from their lethargy to an active and resolute effort in their own behalf.

This accomplishment is to be attributed to two reasons: the correctness and appeal of the co-operative principle as Sir Horace adapted it for Ireland, and the magnetism of his own personality. Few movements which have depended so much on voluntary support have enjoyed greater loyalty on the part of all connected with it. And this has largely been due to the honesty and straightforwardness of its leader. "Why, you ask, am I content to leave a pleasant home in the city and to travel about among these hills in this weather, with so little to show for my work when the night has come? I often ask myself that question. It is that I see back there in Merrion Square a man who is still working at his desk. He has even less incentive for his work than I. With perfect truth I can say that it is he who has led me to spend my life in this way. And it is a good way." That is the way one of the foremost enthusiasts of the movement put it; a man who has given his best services for twenty years, without payment, to practical work in

the field. Likewise, Sir Horace Plunkett has been able to enlist the sympathy and active support of many of his own class in the co-operative movement. The Irish aristocracy had been forced into a position in which its undoubted capacities could not be employed for the benefit of the country. Their every activity was looked upon with suspicion. But, with the enactment of the land legislation, the fundamental cause of antagonism was settled. The gentry were now released to take a real part in the life of the country. Of course, this could only be in connection with some form of non-political activity, such as was offered in the co-operative movement. "New duties—or I would rather call them opportunities—are emerging from the present social revolution, which far exceed in interest and importance those appertaining to the former relation of landlord and tenant."* The Irish aristocracy has answered this challenge by Sir Horace, and is proving its capacity and power in the support and active interest which it has displayed in the co-operative movement. Other groups have been equally responsive to the call. The clergy, Catholic and Protestant alike, have been among the strongest and surest supporters. They have displayed an interest in the material as well as the spiritual welfare of the people, recognizing the intimate relation between the two and the ideal aims of the movement. In many cases their leadership has kept the people together. Likewise, the National schoolmasters have been of much assistance. In fact, men of every class and of every political and religious persuasion have been enlisted in the co-operative cause. Under the leadership of Sir Horace Plunkett they have taken up willingly and enthusiastically the burden of the work which he inaugurated. Irish co-operation has been rich in their loyalty and patriotism.

* "Noblesse Oblige."

CHAPTER IV

PRINCIPLES AND IDEALS OF THE IRISH CO-OPERATIVE MOVEMENT

IN the previous chapter we have described the early history of co-operation in Ireland, and have enumerated the practical results of the preliminary propaganda. We now propose to consider the theory upon which the societies were formed—their underlying principles, their practical structure, and their ultimate ideals. The word “co-operation” is so frequently used in the broad sense of “working together” that it is important to define clearly its more exact meaning as a method of social reconstruction. The programme which Sir Horace Plunkett and his friends proposed was not a broad principle without an immediate application; it was a definite practical scheme which in one form had already been proved of great advantage to English working men. Its application in Ireland, although it involved no new principle and little change in structural detail, did represent a development in the theory and in the application of the more ideal aims of the co-operative movement.

The flannel weavers of Rochdale, to whom modern co-operation everywhere largely owes its practical success, if not its inspiration, were gifted with rare discernment and good common sense. They had learned in the failure of Chartism the impotence of political agitation to improve their economic situation. Benevolent persons, however good their intentions, for the most part aggravated rather than helped their distressful condition. As individuals they had been completely worsted in the competitive struggle. From such a situation there was only one avenue of escape. Where the individual was weak, many organized for practical

effort might prove strong. And so, without memorials to a complacent Government, without an appeal to disregarding employers or well-intentioned philanthropists, they formed an association "for the pecuniary benefit and the improvement of the social and domestic condition of its members." Relying on nothing but their own united exertions, they set up—with many misgivings, but an earnest purpose—their little shop in Toad Lane; an insignificant beginning, but containing in the principle of "self-help through mutual help" the foundation of the now world-wide co-operative movement.

The position of the Irish farmer in 1888 was, in many respects, analogous to that of the Lancashire weaver nearly half a century earlier; his industry seemed no longer capable of providing him with the necessities of life. Efforts to improve his situation through legislative action had done little more than prepare the way for constructive reforms; for the chief requirements of progress among Irish farmers were individual energy and initiative. Their greatest hope lay in themselves. Indeed, owing to a long-cultivated belief in the omnipotence of political change, their own responsibility in the matter had been almost completely ignored. Dissatisfied as they were with the Government under which they lived, its aid was invoked in every contingency. No meeting for dealing with distress in the country was ever held without the ubiquitous question: "What is the Government going to do about it?" Or, if the appeal to Government failed, the "great heart of America" might be aroused in their behalf. As long as the development of Ireland was considered to be entirely within the keeping of others, there could be no real progress. It was only when the responsibility of Irish men and women for the conditions of their country was realized and accepted that a brighter day could be said to be dawning.

But this individual energy and initiative only became effective, as the Rochdale Pioneers had found, through combined action with other individuals. It is a truth which is applicable in every

age that a person, or many unorganized people working independently, can seldom secure any large result. Just as mutual aid has been an equally important factor with the struggle for survival in the development of civilization, so in the modern world association and organization are necessary for continued progress. Not alone in the conduct of war, but in the arts of peace as well, the principle of "self-help through mutual help" is of primary importance.

Valuable as this principle was for the Lancashire weavers, and the thousands of English working men who have since accepted it in practice, it was of an even greater advantage for the Irish farmer. From the nature of his occupation, his life was an isolated one. A large portion of his day was inevitably spent in the fields alone. He had little opportunity to discuss matters affecting his industrial life with his fellows. Farm labor at its best offered very little time for association, and the leisure which was at times possible was employed in more relaxing pursuits.

Furthermore, the Irish farmer was not a wage-earner, but a business man—an entrepreneur. Co-operation, as conceived in England, was a method of improving the position of the consumer; the same principle of organization might also be useful as a means of raising wages, but a special form of association along occupational lines was necessary for this purpose. On the other hand, the whole economic life of the farmer depended on the efficient conduct of his varied business interests. A purchaser of raw materials, and a producer of other raw materials or of food-stuffs as well as a purchaser of the necessities of life, as a consumer, he was necessarily involved in relations with various middlemen. If in any one of these directions he failed to bargain effectively, no amount of zeal in other directions could make up for the loss. Yet the group with whom he dealt was more completely organized and more experienced in its own particular field than he, in the isolated life which he lived, could ever be. Occupied in an industry which required the greatest amount of

business as well as technical education, the agriculturist was handicapped by a complete lack of knowledge and individual impotence. No matter how carefully he might conduct his affairs as an individual, alone he could not deal with the forces confronting him. The land legislation, which we have examined, had gradually created in Ireland a great number of small peasant proprietors. The scale of operations of each of these men was comparatively small; the artificial manures which the individual bought, the amount of product which he had for sale, were relatively insignificant. But he depended on this sale for his very livelihood, and his position as a bargainer was therefore as weak as that of the ordinary wage-earner. The only way he could protect himself was by adopting the same method of combination, finding in this union the strength which, as an individual, he lacked.

Such a combination for business purposes may be achieved in several ways. We have alluded to the efforts of Canon Bagot to establish an Irish creamery system upon joint-stock lines, and to the failure of his scheme. The joint-stock company is a method of combining many small capitals to achieve a common end. Through its agency the farmers might succeed in carrying on their business in many directions in a way which would measurably improve their situation. And yet, despite its advantages and its proven usefulness in the development of industry, it was inferior—as we shall see—to the alternative scheme of co-operative organization adopted in 1844 by the English working men, and adapted to the needs of Irish farmers by Sir Horace Plunkett in 1889.

A co-operative society may be defined as a voluntary association of individuals, combining to achieve an improvement in their social and economic condition, through the common ownership and democratic management of the instruments of wealth. It is outwardly similar to the joint-stock company. In both schemes membership is voluntary, a feature which strengthens individual

responsibility. This fact differentiates them from any schemes of social reform such as State socialism, where the individual becomes, whether he will or not, a partner in a great State enterprise. The danger in such a system is the fact that the individual will fail to realize his personal responsibilities, notwithstanding the fact that this is essential. Co-operation and the joint-stock company as well, by preserving the voluntary feature, encourage individual activity and self-reliance, without which no people can become prosperous and no scheme for the reconstruction of society successful.

But membership in a co-operative society is a far different matter from the ownership of one or more shares in a company. In the one case, the important factor is the individual; in the other case, the share capital. Thus, in order to join a co-operative society, it is necessary to receive the approval of the committee, who judge, not by the capital contribution, but by the individual character, business reputation and civic standing of the applicant. No test of race, religion or politics is imposed, but only those who are deemed worthy partners in a common enterprise are admitted. While many agricultural societies trade on character, the ideal of the industrial societies is to trade for cash only. Agricultural necessities, such as fertilizers and seeds, from which the returns are secured only after a period, must frequently be sold on credit. The ordinary trader protects himself from the losses which are likely to occur from this business by charging higher prices. The co-operative society, by choosing its members and by continuing an oversight as to the relations between them and the society, ensures that no losses will occur, and can reduce its prices accordingly.

Capital, in the joint-stock company and the co-operative society alike, is secured on the basis of limited liability.* In both cases

* This applies by law to all trading societies (in Great Britain and Ireland) but not to credit societies, which, as will be seen later, may be organized with unlimited liability.

the holders of shares are not responsible beyond the investment which they have nominally—if not actually—made, and in case of liquidation cannot be assessed. But while this capital is in the joint-stock company the chief reason for which the society is formed, and the amount which may be subscribed is unlimited, in the co-operative society, where membership is the important consideration, not only is the holding of a member limited to £200, but, in fact, it seldom approaches anywhere near that figure. The joint-stock company may, and the co-operative society must, be a union of small capitals, and in practice the capital of the latter is usually composed of very small amounts. In most cases only a small portion of the actual shares is called up.

The essential difference between the two methods of business organization which we have been considering is even more clearly shown in the treatment of the share capital. In the one case, where it is the primary consideration, the interest is practically unlimited. Profits are divided entirely on the basis of the capital supplied. But in the co-operative society this payment is strictly limited, usually to 5 per cent. It is felt that this is a fair return, compensating the holder for his abstinence, and that any additional profit should be for the benefit of the group. The profits over and above this amount are to be divided among the members and the employees on the basis, in the one case, of the trade done with the society, and in the other, of the wage received. In practice, few of the Irish societies have allocated their profits in this way, preferring to retain any surplus as a reserve fund, for which a ready use is found in the natural expansion of the business. These reserves are in effect community property, and while they raise problems which we shall discuss elsewhere, their existence gives strength to the sense of a common enterprise.

So also, in the management of a co-operative society, the individual rather than the capital is the important point. The voting unit is not the share, as in the joint-stock company, but the member. The committee, which is the managing authority, and exer-

cises general control over the affairs of the society, is elected on the democratic principle of one man, one vote. Each individual—be he the holder of two hundred shares or of one—occupies the same position so far as determining the conduct of the society is concerned. Where, as in Ireland, there has been a deep chasm between the interests and activities of two groups in the population, and where the distribution of wealth was quite unequal, the existence of an organization in which all men could meet on equal terms was of great importance in developing community consciousness.

These various differences of structural detail indicate some of the advantages of the co-operative society over the joint-stock company as a method of organizing Irish farmers. Membership based on character and without any other restrictions, a fixed rate of interest on shares, democratic management, and division of profits on a novel basis give a distinct character and spirit to a co-operative society, which is absent in other schemes of organization. The loyalty of the members must extend beyond their investment in the enterprise; it is their undertaking, requires their constant support and interest, and its return to them will depend on the measure in which they accept these obligations.

But it is rather in the fact—on which we have already insisted—that a co-operative society is an organization of individuals that its great superiority over the joint-stock company lies. Its greatest social and educational results are achieved through this particular feature.

The decay of rural life which has spread throughout the world, and which in many respects is more serious and more inimical in new countries than in the older lands of Europe, has occurred through the weakening of community institutions and community life. We have already pointed out the comprehensive nature of the Irish rural problem, that it was not merely a question of economic decay. In Ireland, as A. E. has put it, "we have not had a social organization since the time of the clans." The landlord

system never provided a complete or stable substitute for the tribal organization; and, with the establishment of many peasant proprietors, even its pretensions in that direction came to an end. Yet such community organization is necessary, not only for the more effective conduct of its business interests, but also for educating the people in their industry and their duties and responsibilities as members of a social order.

The formula which Sir Horace Plunkett found to express his idea for agricultural reconstruction in Ireland, "Better farming, better business, better living," covers a wide field. The first necessity, he declared, was "Better business." No improvement in the technical methods of farmers would avail until they carried on their own business for themselves. Only in this way would they be protected from the abuses to which their business ignorance and individual helplessness laid them open. Organization alone would solve this difficulty; and we have already explained the method by which this was to be done.

Organization was also important, however, for carrying out the first portion of Sir Horace's aim, "better farming,"—and was essential to increase the product of the farmer, as well as the share in the ultimate return which he might secure through his co-operative society. The organizations in Ireland—unlike the urban industrial societies in England—are almost wholly composed of persons engaged in the same occupation. Their technical interests are therefore very much the same. As workers on the land, they are all concerned with new methods of agricultural production, the more scientific application of their labor, the use of spraying materials and artificial manures, improvements in live stock, and the like. Their association forms an excellent medium for the distribution of information of this kind. Moreover, the farmer, very properly, will not change his methods without being assured that these changes will yield him a commensurate return. As a member of a co-operative society he knows that any increase in production will accrue to his own advantage.

More efficient methods of production will not be neutralized by increased levies from middlemen. Such information makes a far greater appeal to the farmer (who is by nature conservative) when it has been tried under local conditions. The readiest agency for such an experiment is to be found in the co-operative society. And the opportunity for common discussion and mutual observation which is thus given brings the most ignorant member up to the level of those who have shown themselves more receptive of the new ideas.

The ultimate aim of all these co-operative activities and of community organization generally is the development of a sound individual and social life. If Better Business only was to be attained, efficiency experts might find considerable interest in the Irish societies; if Better Farming was the ultimate goal, agricultural experts and teachers might gain valuable hints from Irish experience. But the Irish co-operative movement is of real interest to rural reformers everywhere, and to all who look forward to a better civilization, because its ultimate concern is Better Life. Unless the more efficient business organization and the improvement in agricultural technique can do more than change the material returns to the farmers, it falls short of its ideal. It must attain that complete community organization, which is the underlying necessity of a new rural civilization, and upon which the development of a sound individual and social life depends.

The modern world generally has ignored the importance of the local unit in every direction. Its business is run on the individualist principle. Its educational effort is largely in the hands of central authorities, and local needs are too often set aside. Its social life is on a class basis, dividing and weakening the social unit. Its political organization does not truly represent the community which it governs. "We often hear the expression 'the rural community,'" writes A. E., "but where do we find such rural communities? There are rural populations, but that is altogether a different thing. The word 'community' implies an association of

people having common interests and common possessions, bound together by laws and regulations which express these common interests and ideals, and define the relation of the individual to the community. Our rural populations are no more closely connected, for the most part, than the shifting sands of the sea-shore. Their life is almost entirely individualistic. There are personal friendships, of course, but few economic or social partnerships. Everybody pursues his own occupation without regard to the occupations of his neighbors.”*

And yet the most effective action in every direction may be taken by the local unit.

Co-operation stands between the two extremes. On the one hand is a crude individualism which has proved in every way ineffective and inefficient. On the other is socialism, which, in constructing a State organization, endangers individual expression and destroys individual responsibility. The *via media* is co-operation or community organization. Such organization gives scope for a finer individualism, made possible by association with one's fellows. Through common effort greater self-expression is to be attained. Likewise, the more perfect social organization will be created by giving the local unit its proper place. In the neighborhood the individual must realize his own responsibilities towards the group, and so his obligations in the larger unit of which the community forms a part. In its combination of the finer individualism and the more practical socialism, the co-operative ideal as worked out in Ireland forms a complete programme of rural and, in fact, social reconstruction.

The community organization of the co-operative society is comprehensive and practical. It starts with the fundamental economic problems which are common to all. On this basis it builds the complete edifice. It secures the greatest facilities for individual self-expression and development, and at the same time the true social structure which is necessary for the new rural

* A. E., "The Rural Community," p. 5.

civilization. In the consideration of the actual co-operative societies to which we now turn, these ideals may often seem remote and hidden. And yet it is this vision of the yet unrealized aims, this dream of the future which carries far beyond the walls of the creamery and outside the portals of the store, which has won for the Irish co-operative movement the constant loyalty and unflagging zeal of its supporters. In the practical work of the actual societies which have been formed are to be found the first steps toward that finer rural civilization for which they are striving and which yet will be.

CHAPTER V

THE I.A.O.S.: ITS FORM AND FUNCTIONS

WITH the foundation in 1894 of the Irish Agricultural Organization Society, the birth-pangs of the movement were at an end, and its theory, as we have outlined it in the previous chapter, was sufficiently well determined to admit of continuous practical development. Although the I.A.O.S. has had to fight unceasingly against every form of opposition—some of it ignorant, more of it based on the hostility of vested interests—its leaders and officials and most of its supporters have known exactly what they were fighting for, and there has never been any likelihood of their being permanently defeated. We may compare the struggles which took place before 1894 to the effort involved in clearing woodland to make way for crops, and those which have gone on since, to the labor of tending the crops as they grow, and protecting them against every form of depredation.

In this and the following chapters, accordingly, we shall take a survey of the co-operative movement from the point of view of the work accomplished by the various types of society. It will be found that in the essentials of organization and conduct the local societies have undergone little change. It is only in number, efficiency, and technical methods that great changes have taken place. This applies even to the I.A.O.S., though necessarily to a somewhat less degree.

After the first five years of co-operative propaganda several points upon which we have already commented became clear. In the first place, co-operation of the kind contemplated by Sir Horace Plunkett and his followers, as especially adapted to the

interests of the Irish producer, developed necessarily along different lines from those followed in England by the artisans of the large industrial centres. The movement was not at that time sufficiently strong to overcome the instinctive jealousy which exists between the producer and the consumer, and a separate form of organization seemed to be necessary for each. Thus it was not possible to expect the Co-operative Union to continue to take the responsibility for an Irish Section which was following a different programme, and was openly discouraging the formation of co-operative stores on the English model. On the other hand, so much progress had already been made with the work that it was beyond the powers of a few individual workers to carry it on for themselves, or to provide the funds necessary to employ trained officials for the purpose. The only alternatives which remained were the creation either of a philanthropic society or of a federation of existing societies. The former alternative was naturally distasteful to advocates of "self-help through mutual help," but the latter appeared to be practically impossible. The outlook of the movement was most promising, but the forty creameries existing in 1894-95 were not as yet in a sufficiently strong financial position to support a central federation with anything more than a minute income. The expenses to be borne in this year can be measured by the fact that three hundred and fifteen meetings were held, as a result of which thirty-four societies were brought into existence, and fifteen more were in contemplation.

The plan actually adopted was one of the most striking instances of Sir Horace Plunkett's genius for dealing with what most people would consider very discouraging circumstances. The public was appealed to to provide a fund to maintain a central organizing federation for a period of five years at the rate of £2000 a year, by means of shares, subscriptions and donations, payable in instalments. The societies brought into existence during these five years were to be affiliated to the central body and contribute to it an amount proportioned to their

resources. Arrangements were to be made by which they would gradually receive representation and take over the control, so that the I.A.O.S. would in time become a true federation.

The response to this appeal must have surprised even the enthusiastic. The fears of vested interests had not yet been excited, the scarecrow of political and religious difference had not yet been erected in this new field of labor. The inaugural meeting was attended by men of all classes and opinions, but there was no dissenting note. The explanation of the aims of the Society given by the founder may stand to this day as a comprehensive creed for all agricultural co-operators.

"The keynote of our proposals," wrote Sir Horace Plunkett, "is the proposition that the Irish farmers must work out their own salvation, and further, that this can only be done by combination among themselves. I am quite aware of the difficulty which at once suggests itself. It will be pointed out that effective combination for productive or commercial purposes is not to be accomplished simply by the recognition of the fact that it is necessary to combine. An association which is not to be a mere debating society, but which is to be capable of joint action, must be organized on certain well-known but rather complicated lines in order to be permanent. The farmers, from the nature of their occupation, are incapable of evolving for themselves the principles which must be observed in framing such rules as will do justice between man and man, and harmonize the interests of all concerned. Even when a farmer grasps the idea that he ought to combine with his neighbors, he cannot put before them an intelligible and workable scheme. Now here is the point at which without any interference with his business, without weakening his spirit of independence, without any departure from the principles of political economy, we can do the Irish farmer a great service. To bring to the help of those whose life is passed in the quiet of the field the experience which belongs to wider oppor-

tunities of observation and a larger acquaintance with commercial and industrial affairs—that, gentlemen, is the object and aim of this Society. Patriotism and philanthropy alone will not avail, or the work would have been done long ago. I admit that this is no easy task. We have got to turn the current of national thought on these subjects into new channels. It will take the best men in Ireland to fulfil such a mission, but the best men in Ireland are with us, and the task will be performed.”

Such was the spirit of the inaugural meeting. The £10,000 which the founders believed would suffice for five years was guaranteed at once. But long before the end of the experimental period the expenses of the I.A.O.S. were largely in excess of £2000 a year. Meanwhile, though the number of societies was rapidly increasing, their contributions were in no way proportioned to this outlay—nor was there any likelihood that a better position could be reached for some years. Thus from the very beginning the I.A.O.S., which owed its existence to the need for a self-supporting democratic federation of farmers, assumed the financial aspect of a charitable society. As a result it has since spent much valuable energy in the attempt to find sources of income to meet its expenditure. This handicap has, in fact, persisted up to the present day, in spite of determined efforts to give practical effect to the idea that local societies, which were formed and helped by the I.A.O.S., should in turn render it self-supporting. The whole question of finances is of such vital importance to those who wish to understand the structure of the co-operative movement that we have thought best to deal with it in detail in the following chapter. The reader to whom such technicalities are distasteful may omit that chapter without breaking the sequence of thought if he will remember that local societies formed by the I.A.O.S. are bound by their rules to pay an annual affiliation fee in accordance with the scale laid down

from time to time by the annual general meeting of the central body.

Primarily the I.A.O.S. was, and still is, a propagandist body. Its work in this direction is carried out by the free distribution of literature, by the addressing of meetings, and by all such forms of publicity as the funds will allow. Emphasis is laid throughout on the necessity of organizing farmers for business purposes in order to supplement the help given by the State in the provision of land and of technical education. The slogan of the movement is the formula "Better farming, better business, better living." The first is believed to be the function of the State, the second of the I.A.O.S., while the third should result from a proper combination of the other two. It is further pointed out that the co-operative method is the only one properly applicable to the farmer's business, and a careful exposition of the advantages derived from joining the movement is given. This work, except for the negligible amount derived from the sale of publications, brings no financial return.

The next function, arising directly out of this, is the organization of new societies. As soon as a demand for a society arises from any district, the organizer who is responsible for that district will proceed to the spot, interview leading farmers, and arrange a preliminary meeting, which he will attend and address. If possible, a provisional committee is then formed, and the organizer will help this committee in every way, by providing the necessary forms, rules, and so on, and by instructing them in the best methods of getting the society started. It may be several months or even a year from the time when the project was first mooted to the day when a society can begin to work under local management, and during this period the organizer must always be prepared to cope with any emergencies which may arise, to repair mistakes due to lack of business experience, and to ward off the open or insidious attacks of enemies. The amount of time, skill, tact and patience involved in this task can only be dimly

imagined by those who have not seen the process at first hand. This work also brings no return, being a service provided free by the I.A.O.S. When the society is actually registered, however, it binds itself by its rules to affiliate with the central body. The rules are provided by the I.A.O.S., and registration is effected through it at a less cost than by applying directly to the Registrar of Friendly Societies.*

The chief work of the central body at the present time lies in the inspection and general supervision of existing societies. Whenever the affiliated societies find themselves in any trouble, whether through lack of knowledge, unexpected emergencies, breakdown of machinery, or any other cause, they bring their troubles to the I.A.O.S., which at once sends the proper person to visit and help them if, as is usually the case, it is not possible to remove the difficulties by correspondence. In addition to these special visits, the organizer in charge of any district will as often as time will permit and as the circumstances of the society seem to demand make regular rounds and pay a call on every society in his charge. It will be his business to have all kinds of local information at his fingers' ends—to know where the priest is friendly and where he is not, where the schoolmaster is competent, and where the "gombeen-man" is threatening. He must also know the weak points of the societies, and so be able to locate trouble without waste of time. Above all, he must know how to adjust his methods to the peculiarities of temper of the manager or secretary in each case. To go out on his rounds with one of these men is a liberal education for any one interested in human nature.

Generally speaking, the organizers have had an all-round training in co-operative methods, and the limitation of their spheres is geographical and not technical. Special men have,

* The actual cost is £2, £1 registration fee and £1 preliminary affiliation fee to the I.A.O.S. Unaffiliated societies pay £5 registration fee as their rules are not standardized and must therefore be examined in detail.

however, been assigned from time to time for certain types of work; in the earlier days of the movement there were special organizers for banks, and also for poultry and home industry societies. At present the I.A.O.S. has a creamery expert with three assistants who supplement by technical advice the work of the regular organizers in connection with dairy machinery and scientific butter-making. There are also specialists in the use of agricultural machinery by co-operative societies. But the most highly specialized department is naturally that of accounting and auditing. It is probably in the keeping of accounts that the local societies meet with the greater part of their difficulties, and it is certainly in this way that the central body is most plainly able to help them. The work of the Audit Office at the Plunkett House is kept quite separate from the other activities of the I.A.O.S., except that the staff is under the general direction of the committee acting through the secretary. The department charges reasonable fees for work done and is practically self-supporting. There is no compulsion on affiliated societies to have their auditing done by the I.A.O.S., but all societies are bound by law to have their accounts audited at least once a year by a duly qualified public auditor, and most of them are able to see the advantage of employing an auditor who possesses a sympathetic understanding of co-operative principles as well as a knowledge of accounting.

Audits are conducted in two ways: either the books are sent up to the Plunkett House and there examined and dealt with, or in cases where more detailed attention is required the auditor visits the society in person and spends as much time on the spot as may be required. The latter is evidently the more satisfactory method, as the society gets much useful advice and help in addition to the actual audit; but the demands which it makes on time and money render it prohibitive except in cases where it is most obviously needed. However, during the period when the work in the office is not so heavy, two or three of the staff are employed

by the I.A.O.S. as traveling inspectors and visit the societies with particular attention to book-keeping and financial details. There is no doubt that the help thus given is extremely beneficial and is appreciated by the societies.

In addition to these activities, the I.A.O.S. in its earlier stages, as we have seen, bore the burden of practically all the technical education in agricultural matters which was done in Ireland; instructors were sent out to deal with butter-making, poultry-keeping, egg-production, bee-keeping, lace-making, and many other such subjects. Questions relating to live stock and kindred matters were earnestly discussed at general meetings, and while this work was a heavy tax on the society both financially and otherwise, there is no doubt that it made its position very strong in the country. These functions were actually handed over to the Department of Agriculture and Technical Instruction after 1900, and the I.A.O.S. was thus left free to devote more time and energy to the single purpose of co-operative organization. The expense was somewhat reduced, but probably the revenue also decreased, as farmers, finding that they had to look to the Department for these services, began to believe that the State would take up the much desired rôle of universal provider, and thus render the I.A.O.S. (and its affiliation fees) an unnecessary luxury. However, those who did not take this view soon came to the conclusion that in many ways State assistance was unsatisfactory, and began to clamor for the I.A.O.S. to resume some of its original functions. This tendency was very much increased after the change of policy on Sir Horace's retirement, when it became apparent that the Department was not sympathetically inclined towards co-operative societies. As a result, the voluntary body shortly returned to the practice of giving technical advice and inspection to creameries in addition to that given by the State, and has also employed experts to advise on the use of agricultural machinery and the tillage problems connected therewith. The charge has been made from time to time by the Depart-

ment that in these ways the I.A.O.S. overlaps with its work, or tries to supersede it. On the other hand, co-operators assert that the officials of the Department are not encouraged to give the same help to co-operative societies as to individual farmers, and that their teaching is anti-co-operative. A certain amount of technical teaching is inseparable from the work of organizing co-operative societies, and as long as the two bodies are not in harmony friction is bound to arise on this point. The I.A.O.S., however, tries as far as possible to avoid overlapping and to work in conjunction with the county agents; the measure of success depends largely on the personality of the men employed in the various districts.

The final and by no means the least important function of the I.A.O.S. is to act as the legal and political representative of the organized farmer. Such questions as the disposal of creamery sewage and the validity of certain rules are frequently brought to the courts, and in these cases the co-operative societies can look to the central body for expert assistance. The levying of the excess profits tax recently has afforded a good example of the necessity of such help from a strong and competent federation. In the same way the I.A.O.S. is able to advise farmers as to the progress of Bills in Parliament which affect their interests, and to voice their protests or approval. Irish farmers have not yet sufficiently recognized the necessity of this kind of self-expression and have suffered severely by the neglect of their interests on the part of their parliamentary representatives. No doubt, however, the time will come when they will seek to follow the example of the agrarians of Germany, or of organized labor in England, and to make themselves articulate by combined pressure. When that time comes it is to the I.A.O.S. they must look for the proper medium of expression, and it will then become what it should be and is quite competent to be—the official mouth-piece of a strong farmers' party, political, not in the sense of adhering to an established political party, but as representing in

a political sphere the interests of a large and important section of the community.

We come now to consider the internal organization of the I.A.O.S. In this connection it is worth while to repeat one statement which has figured largely in recent controversies. The I.A.O.S. is not and never has been a trading body. The funds entrusted to it are devoted solely to propagandist, educational and supervisory work, and in no case have they been either expended for trade purposes, or lent or given to any local society for the purpose of strengthening its capital or helping it in a financial way. It is worth while emphasizing this point, as ignorant or disingenuous persons have repeatedly made the statement that the State subsidized the I.A.O.S. to engage in trade at the expense of other ratepayers. Confusion has always existed in the minds of the public between the I.A.O.S. and the Wholesale Society (known as the I.A.W.S.), which is, of course, a purely trading federation, but in no case have funds of the I.A.O.S. been used in support of this body.

Since the reconstruction which was completed in 1904 the I.A.O.S. has been a purely democratic body. Its general committee is simply a federal council of the delegates of local societies, just as the Federal Government of the United States is a council of the delegates of the separate States. The elected members of the committee are twenty in number; four are elected by the societies of each of the four provinces, and four by the individual subscribers. There are also four members co-opted by the whole committee, and the Development Commissioners have a right to propose not more than eleven persons for co-option. They have at present six representatives, of whom three are members of their own body. The president and vice-president are additional to the committee (of which they are ex-officio members): they retire annually, and are elected by the affiliated societies. This is an important point to observe, as by reason of the fact that these officers have been unchanged for many years

the fact that they are democratically elected each year is apt to be overlooked. Of the provincial members, eight retire each year in order of seniority, and are eligible for re-election, and the same applies to two of the subscribers' representatives.

Nomination papers are sent to all affiliated societies, with a list of the existing committee and officers, and an indication of those who retire, at least two months before the date of the annual general meeting. These papers must be returned within a fortnight, and from them voting papers are prepared for each province and sent to the affiliated societies. The committee scrutinizes the votes and declares the result in the *Irish Homestead*. Subscribers' representatives are similarly elected after the other elections have taken place. Any person is considered to be an individual member of the I.A.O.S. who has paid a subscription of not less than £1 for the current year, the first pound being taken as a non-interest-bearing share.

The committee thus elected "shall have control of all business carried on by or on account of the I.A.O.S., subject to the provisions herein contained. It shall arrange the hours and place of meeting, and shall meet as often as it is found necessary for the transaction of the business of the I.A.O.S., provided that it shall meet at least once a quarter." It "shall present an annual report to the annual meeting," and may appoint sub-committees.

There are several sub-committees, of which the most important is the office and finance committee, which carries on all the routine business from month to month. It includes one representative of each province, and four co-opted members. There is also a creameries sub-committee made up in the same way, and a smaller one to deal with the credit societies. The members of the committee and all officers except the secretary and his assistants are unpaid. The secretary and assistant secretaries are appointed and removable by the committee.

The chief objection which appears to this constitution is that it tends to overmuch centralization. All the executive work is

done from Dublin, and it is a very long journey from most of the societies. Consequently the members of the office and finance committee must be chosen from the very small number of those who have opportunity to attend it; and as it is not practical for the general committee to meet very frequently, power tends to concentrate in the hands of two or three members and officials.

To meet this tendency of democracy to develop into bureaucracy, various efforts at decentralization have been made. The final scheme was worked out by the committee and put into effect in the early part of 1914, and was somewhat overshadowed by the subsequent outbreak of war. Four provincial sub-committees were organized, each consisting of the representatives of the several provinces on the central committee, and having an office in the centre of the province, with the senior organizer as secretary. These bodies discuss local questions, and all proposals for new societies, organizers' reports and so forth come before them in the first place. A system of devolution while retaining central control is thus provided. In order to give further local representation, each province is split up into "conference districts" covering a certain number of societies. Each society sends a delegate to the conference held in the centre of this district; each conference elects a representative to the advisory committee for the province. The advisory committee sits jointly with the provincial sub-committee, and its members, though they have no votes, have a strong consultative and advisory power. The method by which this scheme should work is described as follows in a leading article in the *Irish Homestead* (June 27, 1914):

"It is one of the chief arguments against this kind of meetings . . . that the resolutions passed by them are carried no further. This is unfortunately only too true; but now at least there is no shadow of excuse for such a state of things. A conference is called at which, say, twenty-five to thirty societies are represented, each by a delegate. These people will mostly be

known to one another—they are in their own country on their own business; we may expect they will pass such resolutions as are important for them; we saw that at various recent conferences resolutions were passed requiring figures of milk receipts and butter returns to be incorporated into the auditor's return for creameries. Very good. The resolution must be presented to the provincial sub-committee at its next meeting; meanwhile the same conference has chosen an advisory representative to assist this sub-committee. It is his business, from which he should allow nothing to turn him aside, to see that the resolution of his conference receives thorough attention from the sub-committee. If it is of local importance, it should be put into operation at once. If it affects the whole country it is the business and duty of the sub-committee to see that it is brought before the central committee at its next meeting; members of the sub-committee should be there and should behave towards the resolution as if it was a Bill they were introducing into Parliament. The committee must consider it, and if it is approved it becomes the business of the executive to act upon it. Then when the general meeting comes along, if nothing has been done, we may confidently expect that our advisory representative will have something to say. . . ."

The constitution as outlined is apparently a model attempt to solve the problem of providing democratic and decentralized government without abolishing co-ordination and central control. Its working in practice must depend upon the ability, goodwill and enthusiasm with which the local bodies take it up, and as to this it is at present too early to pass judgment.

In addition to the I.A.O.S. and to the trading bodies of the movement, three further agencies of rural reconstruction in Ireland call for notice, all of them being, as it were, offshoots from the parent stock. We may mention first the *Irish Homestead*, the agricultural and co-operative paper which was founded in 1895 as the organ of the new movement, and has appeared weekly

ever since at the modest price of a penny. It has had many vicissitudes, alike in its editorship, ownership and finances, but finally settled down in 1905 as an independent co-operatively owned paper with Mr. George Russell (A. E.)* as editor. This versatile man has had experience as bank organizer, assistant secretary of the I.A.O.S., and many other things, and has earned fame as painter, poet and mystical writer in addition to his reputation as a brilliant yet practical journalist. As a result of his work in its columns the *Homestead* has become known and widely quoted in many countries, and is acknowledged by all who study the subject to be one of the most inspiring papers of its kind in the world. Unfortunately the state of co-operative education is not yet sufficiently advanced to ensure a large paid circulation among Irish farmers, and with the natural difficulty in getting advertisements experienced by every propagandist paper, the *Irish Homestead* has never been in a particularly prosperous condition from the financial point of view. As an educational and propagandist medium it has, however, rendered incalculable service. The relations between the I.A.O.S. and the *Irish Homestead* have been various and complicated, but since Mr. Russell became the editor, the I.A.O.S. has exercised no control and has taken no responsibility for its views, nor has it given the paper any subsidy. The *Homestead* has thus been able, while continuing to act as the organ of the movement and to work in close harmony with the I.A.O.S., to speak as an independent observer. To this fact the movement has been indebted for some candid and useful criticism of its own work, and also for some outspoken comments on other matters which could not have been uttered by officials or by the I.A.O.S. as a whole. The editorial office is found in the Plunkett House, and is made the goal of frequent pilgrimage by inquirers from far and near who have heard of Mr. Russell's

* We beg the reader to avoid confusing the identities of Mr. George Russell and Sir Thomas Russell, Vice-President of the Department of Agriculture, who, as will appear in later chapters, are in all but name as widely sundered as the poles.

fame, or know by personal experience the inspiration which he can impart. The walls with their hand-painted mysteries are an added attraction, and the range of subjects discussed in this room is no narrow one.

Mr. Russell's influence was largely effective in the founding of the society known as the United Irishwomen, which first began work in the Plunkett House in November, 1911. This society, as its name indicates, constitutes the women's branch of the co-operative movement, and its object is to complete Sir Horace Plunkett's formula by the achievement of "better living." In pursuit of this object, the United Irishwomen have organized between forty and fifty local societies or branches throughout Ireland. The branches are composed of farmers' wives and daughters and the women of the smaller country towns, who receive lectures and instruction from organizers of the central body in such useful subjects as home-brightening, poultry-keeping and egg-production, gardening, village industries, and so forth. Important work has also been done in the organization of milk depots where fresh milk can be obtained for poor children who have hitherto lacked it owing to scarcity or ignorance. Cocoa is also supplied to school children, and village nurses have been installed in co-operation with existing agencies. In one or two places, co-operative egg societies have been started, and there is one successful store which owes its origin to the United Irishwomen. The I.A.O.S. has also recently handed over its home industries societies to the care of this body.

The work has been of an uphill nature owing to the apathy of the country women, whose position in Ireland is a very hopeless one, to the difficulty of obtaining suitable workers, and, above all, to the lack of funds. The greatest success has been attained in those places where it has been possible to have an organizer living for some time among the people in a small cottage and showing them how to make the most of their circumstances. A notable example of this was seen in the home-brightening experi-

ment carried on at Dromore in Ulster. This work was done under a special fund before the formation of the United Irishwomen, and the latter body having to cover the whole of Ireland has had a greater problem to face. The response to appeals for subscriptions (the only method of supporting such work) has not been very great, and the work has been kept going mainly by the Pembroke Charities Fund and other special grants. In 1915, however, a grant was received from the Carnegie United Kingdom Trustees, which it is hoped will give the society new life and enable it to realize its admirable ideals. The United Irishwomen moved into new quarters in 1914 to allow more room for expansion, and their place in the Plunkett House was taken by the Co-operative Reference Library.

This newest foundation of the Irish co-operative movement suffers to some extent from a misleading name. It is, in fact, rather an economic institute than a mere library, its object being to collect information from all countries as to the progress and development of co-operation. The material is then treated in such a way as to make it serviceable to practical workers in the British Isles and to inquirers and students of the subject coming from other countries. The library has had to fight against adverse conditions since its foundation, owing to the outbreak of the European War, which has rendered correspondence and exchange of information exceedingly difficult. Nevertheless it has had a rapid development and is beginning to be well known outside the boundaries of the Irish movement. Some thousands of books and pamphlets have been collected and scientifically classified so as to be available for ready reference, and the staff has done a considerable amount of research work in response to inquiries of the co-operative societies, individual members, and even Government Departments and Commissions. Thus a report was made at the request of the I.A.O.S. and the I.A.W.S. and the Irish Co-operative Conference Association on the capitalization of trade federations, and a Commission appointed by the Government of

Canada has employed the services of the librarian to report upon agricultural co-operation in Europe and its possibilities in Canada. During the first year a monthly bulletin was published dealing with special subjects of interest to co-operators, and in 1915 this was replaced by a quarterly magazine called *Better Business*, which, though it has not yet had time to build up a large circulation, has been very well received by students, and has contained articles covering a wide range of economic subjects allied to co-operation.

The library does not confine itself to the agricultural side of the movement, but is also closely in touch with the industrial co-operators, and endeavors to act as a connecting link between the two. It deals in addition with various technical questions which are vital to co-operators. Thus the dairying experts of the I.A.O.S. are supplied with technical information from other countries, and the questions of production, distribution and trade which have arisen during the war have received considerable attention. Inquirers from abroad—notably America and India—have visited the library in considerable numbers, and several students have spent periods varying from a few days to six months or more in research work with this as their headquarters. Being situated in the Plunkett House, in close touch with the practical work of the I.A.O.S., the library is able to offer exceptional opportunities to those who wish for a general co-operative training, and it is interesting to note that the newly formed National Agricultural Organization Society of America availed itself of these opportunities by sending over two men to be instructed in European methods before taking up work as organizers in the United States.

The financial resources of this institution have been almost wholly derived up to the present from the Carnegie United Kingdom Trustees, who have seen its potentialities for economic education. The number of subscribing members is necessarily small, but it is increasing and may be expected to reach a respectable total in times of peace. It is unfortunate that at present the

central co-operative bodies of the United Kingdom have not been able to render it independent of outside aid, but this will no doubt follow on an improvement of their own financial position, and a fuller realization of the usefulness of an institution which is still in its infancy.

CHAPTER VI

THE I.A.O.S.: ITS FINANCES

REFERENCE has been made in the previous chapter to the difficulty experienced by the I.A.O.S. in making itself financially self-supporting. Those who have had experience of the same problem in other countries will realize the necessity of the detailed analysis which we shall now attempt and will not condemn the Irish movement because it is here revealed in its least successful aspect.

In the first year after the foundation of the I.A.O.S. the available income was only £1427, which represented a fifth part of the paid-up subscriptions. The next year's income was anticipated slightly, and £1579 was spent. The same thing took place to a greater extent the year following, and an appeal was made for voluntary organizers. At the same time the leaders of the movement insisted that societies must affiliate if they were to receive benefits. Payment of a fee of £3 admitted a society to membership in the I.A.O.S., and an annual conference of co-operative societies was held to which each affiliated society was entitled to send one delegate for every hundred members.

In 1897 the number of affiliated societies was sixty-one, the expenses were about £5500, and the central body was only saved from bankruptcy by the timely generosity of Sir Henry Cochrane, a Dublin manufacturer, who made a special donation of £5000. But by the time of the annual general meeting of the next year the funds were again practically exhausted. Yet all the leaders of the movement were determined that the work must go on, and there was an ever-increasing demand for organization coming from the country districts. It was decided to issue a further appeal for subscriptions for another period of five years, begin-

ning on January 1, 1899. In moving the report, Sir Horace said he did so under peculiar circumstances:

"On the one hand I shall be able to show you that our Society has, so far, fulfilled its purpose with astonishing success, and that its power for good in the future is apparently unbounded. On the other hand, the main question which will be before us to-day is whether the existence of the Society can be continued. For, long before another annual meeting can be held, the last of the guaranteed subscriptions will have been paid, and our movement will be arrested for having no visible means of support."

In the end, Sir Horace himself guaranteed £1000, an anonymous donor promised an equal amount, and with aid from other persons who responded to the appeal the crisis was overcome. One cannot help being struck by the fact that the turnover of the societies which owed everything to the I.A.O.S. was at this time £400,000, and a contribution of 1 per cent., or about 2½d. in the pound, would have made the central body almost self-supporting. No such suggestion, however, was made during the discussion, and we find in the next year that £500 was considered a most encouraging total for the affiliation fees. As a natural consequence, the original scheme for converting the I.A.O.S. into a body controlled by the local societies was postponed for a further five years.

In 1899 the whole question of finance was discussed. It was decided that no help whatever should be given to unaffiliated societies, and a definite rate of affiliation fees was fixed. Creameries and agricultural societies were assessed 10s. per £1000 turnover, with a minimum of £3 and £1 respectively, while credit societies paid a minimum of 5s., increasing by 2s. 6d. to £1. It is noticeable that even this moderate proposal brought out a number of societies which absolutely refused to affiliate.

With the inauguration of the Department of Agriculture in 1900, and the appointment of Sir Horace Plunkett as its Vice-

President, the position of the I.A.O.S. underwent a material change. Up to this period the Society had taken upon itself a large share of the burden of technical education in agriculture, in addition to the work of organizing co-operative societies, and a great deal of its energies had been devoted to this tremendous and expensive task. It was apparent that the work should properly be undertaken by the State Department, and, in fact, this was one of the fundamentals of the programme laid down for it. But it was also apparent that in the period of organization it would not be possible for the new body to assume all these functions, and accordingly a grant was made to the I.A.O.S. to pay for the cost of this work until such time as it could be handed over. At the same time an anonymous gift of £1350 a year was made, and it is now an open secret that this represented Sir Horace's official salary as well as his ordinary subscription. With a further gift of £1000 from Lord Dunsany, and Mr. Carnegie's £500, the finances of the I.A.O.S. were vastly improved.

In 1901 some slight alterations in the scale of affiliation fees were made, and the principle of non-assistance to unaffiliated societies reaffirmed, but in the next year the income from this source was only £623, although the turnover of the societies had reached nearly a million and a quarter. In this year (1902) the Society was again faced with increasing expenditure, and the grants from Lord Dunsany and Mr. Carnegie were to cease. A special circular was sent out to about 25,000 people, offering them membership in the I.A.O.S. and free copies of its publications (including the *Irish Homestead*) for £1 a year. The experiment cost £463, and the return was only £336, but some of the subscriptions continued in after years. A more profitable appeal was made by a deputation which collected £1500 from America.

The long-promised reorganization of the I.A.O.S. was carried out in the beginning of the year 1904, when the election of the committee was practically handed over to the affiliated societies. The discussion which took place at the annual general meeting

revealed the fact that some of the larger and more flourishing societies were dissatisfied and unwilling to pay affiliation fees even on the modest scale in force at the time, claiming apparently that they did not need assistance and that the I.A.O.S. was not sufficiently representative. An attempt was made to limit the affiliation fee payable by any one society to a maximum of £5. This was defeated, but it was apparent that the committee was unwilling to put any further pressure on societies to support the movement. A significant feature was the reading of two papers advocating on slightly different lines the extension of the co-operative credit societies in such a way that they might provide capital for the movement and work in closer connection with the trade federations. This idea, which has proved most successful in Germany, was not, however, followed up. During the next two years the I.A.O.S. was in better circumstances, owing partly to the formulation of a definite scheme by which the Department provided funds for organizing co-operative credit and home industry societies, and more to the efforts of a special committee under Mr. W. E. Holmes, who collected donations to the amount of £7750 in one year. At the same time it began to be realized that the I.A.O.S. must soon expect to stand independently of State aid, and efforts were made to increase the affiliation fees and to supplement them by special subscriptions to be collected from individual members of societies in proportion to their turnover. The break with the Department, which took place on Sir Horace's retirement, and which is discussed elsewhere, brought this matter to a head. By 1908 this break was complete and the I.A.O.S., which had been in receipt of about £3700 a year or £18,000 in all, from this source, was left to stand alone. At the same time it was able to discard most of the work of technical instruction, and the arousing of a new spirit of independence among farmers who had been inclined to rely upon Government aid was a valuable asset. Considerable progress was made on a smaller income, and the scheme of special subscriptions took

practical shape. However, by 1909 we find things again growing desperate, and the Society was only saved by the interposition of the Pembroke Charities Trust with a grant of £2000. Further help was given by Mr. Samuel Figgis, a London merchant, and by a voluntary committee in Ulster.

Meanwhile the British Government had set up a body known as the Developing Commissioners, which was empowered to spend a certain sum of money each year for the purpose of aiding and developing agriculture in the United Kingdom. One of the methods expressly suggested was that of the "organization of co-operation," and it was felt that this could best be accomplished by making grants in aid of the bodies which were already undertaking that work. Accordingly in 1910, the committee of the I.A.O.S. submitted a case for such a grant to the Development Commissioners. The report announces this decision in the following words:

"Affiliation fees and special subscriptions from societies, while showing a satisfactory increase over the previous year, still fall short of the figure which should represent the contribution of the beneficiaries of the movement. [They were, as a matter of fact, £1200 on a turnover of £2,395,000.] It is scarcely to be expected that existing societies should find all the funds required to extend co-operative organization to new districts, but it is disappointing to find that the funds contributed from this source still fall short of what is needed to provide efficient and regular supervision over the existing societies, or even to furnish such advice and help as the affiliated societies demand. The situation calls for a better system of levying contributions from societies. Some—and those by no means the most prosperous—contribute liberally and ungrudgingly, while others either give nothing at all or at most pay affiliation fees on the scale laid down without making any attempt to levy subscriptions from their members. The movement does not yet realize that, if it is to be held together, to say

nothing of giving expression to its views and making its wants known, it is necessary to maintain in a state of active efficiency a central body, through which it can speak and act, which will safeguard its interests and perform all the functions of a farmers' trade union. . . ."

The application for £6612 went forward to the Treasury in January, 1911, was referred to the Department of Agriculture for Ireland, and was promptly held up. The kindred societies in England and Scotland received grants immediately; the I.A.O.S. waited some two years while Mr. T. W. Russell (now Sir Thomas), the new Vice-President, exploited every means which the trading interests who dictated his policy were able to devise to block the whole grant. His efforts included the putting forward of a scheme of "non-controversial co-operation" which was of so ridiculous a nature that it received consideration from no one, least of all the Development Commissioners. The application was passed, with certain conditions, by this body in 1912, and the Treasury then instituted a further period of delay. Fortunately the American Commission appointed to investigate agricultural co-operation in Europe visited Ireland in June, 1913, and when the authorities realized that the programme would include a public discussion of the relations between governmental and voluntary agencies in promoting co-operation, they decided to adopt a safer policy.

The first instalment of the grant reached Ireland in the same week as the Commission of Inquiry. The history of the two years of delay was one of constant begging from philanthropic supporters, payment of debts by Sir Horace Plunkett, perpetual excess of expenditure over income, and appeals to the societies to increase their contributions. The whole movement suffered considerably as a result of this period of suspense and tension.

The first grant made was for £2000 arrears in respect of the period ending July 1, 1912, and £1500 for the nine months ending

March 31, 1913. A further grant not exceeding £4000 was sanctioned for the year 1913-1914 on the basis of £1 for every £1 received in affiliation fees, subscriptions and donations. The amount actually earned was £3822; the Development Commissioners approved of the expenditure, and the grant was renewed for the years 1915 and 1916. The original terms were found to be unsatisfactory in two respects: in the first place, it was felt that the amount of the grant should be made to depend on the contributions of the societies themselves rather than on those of philanthropists; and, in the second place, it was discovered that there was no provision made for the paying off of any arrears, as the Treasury would only allow for the actual excess of expenditure over income within the financial year, so that the Society was constantly liable to increase, and could never diminish, its accumulated debt. These difficulties have now been got over by modifications in the terms of the grant.

The conditions attached to this grant were more strict than those imposed in the case of either the English or the Scottish societies. The I.A.O.S. was called upon "to eschew party politics and to restrict its operations to purely agricultural business," but a demand that it should expel societies which without its "suggestion, advice or assistance" embarked upon other kinds of co-operation was withdrawn. It was prohibited from giving any assistance whatever to affiliated societies, and new societies must embody in their rules an undertaking to affiliate. The Development Commissioners are entitled to a representation on the I.A.O.S. committee of not more than eleven nominees, and are empowered "by audit and inspection (to) satisfy all who may have any doubt upon the matter that the work of the office and organizing staff is strictly limited to aiding and developing agriculture."

In two respects these conditions hamper the work of the I.A.O.S. First, they render it unable to meet the great demand for general co-operative stores which undoubtedly exists in the

country. Secondly, the presence of nominees on the committee obviously implies a danger to free development. These considerations, taken together with the natural feeling that the I.A.O.S. should now be independent of any outside help, have caused the leaders to persevere in the attempt to make the farmers support their own movement. Furthermore, the past debts of the Society remain to be paid off (notably large obligations to the President) while the expenditure continues to increase and the contributions from individuals have naturally fallen off under the pressure of war conditions. In any case, it is doubtful whether the Treasury, although somewhat reluctantly consenting to an emergency grant to meet the effects of the war, will continue to subsidize the I.A.O.S. on the present scale in face of the growing demand for economy of public moneys.

The task of arousing societies to a realization of these facts has fallen largely upon the secretary of the I.A.O.S. Mr. Anderson has used both the report and the annual meeting, as well as many committee meetings, as media for an attempt to stir up an enthusiasm on the point. The result is not altogether satisfactory. A full analysis is given in the report for the year ending June 30, 1914, from which the following table is taken:

Classification	No.	Members	Contri- bution £	Average		
				per Society £	per Member s. d.	d.
Creameries .	430	46,106	1425	3 6 3		7½
Agricultural .	193	19,970	184	0 19 0		2¼
Credit . .	235	20,211	85	0 7 2		1
Poultry . .	18	5,294	31	1 14 5		1½
Industries .	18	1,212	—	—		—
Pig and cattle .	52	1,730	2	0 0 9		¼
Flax . .	10	470	6	0 12 0		3½
Federations .	2	281	—	—		—
Miscellaneous .	27	9,492	58	2 3 0		1¼
		<hr/>	<hr/>			
	985	104,766	£1791			

The following comment is made:

"Had all the societies making returns (exclusive of the federations) paid their proper quota in affiliation fees, the income from this source alone would have amounted to £1475, whereas the total sum received under this head was but £918. . . . A subscription of even 1s. per head from the 46,106 members of the dairy societies would have produced £2305, while 6d. per head from the members of all the other societies would have represented no less than £1457, or a total individual subscription from the movement of £3762, whereas the total special subscription from societies' members amounted to £873."

The suggestion to levy a shilling from individuals, and a further attempt by means of a special "debt of honor fund" to collect sufficient from the societies to pay off the obligations to the President were unsuccessful, and a new scheme is now in operation by which societies are urged to collect one halfpenny in the pound from each individual on his transactions. That the affiliation fees and subscriptions are gradually increasing is shown by the following statement:

Year	Societies	Contri- butions £	Average			per Member d.
			per Society £	s.	d.	
1912 . .	947	1587	1	13	6	3.74
1913 . .	985	1791	1	16	3	4.10
1914 . .	1023	1970	1	18	6	4.45
1915 . .	991	2595	2	12	4	6.07

But this increased support has coincided with a greater increase in expenditure, which was £6000 in 1912, £8500 in 1913, £10,000 in 1914, and £11,000 in 1915. The turnover in 1915, exclusive of the federations, was £4,100,000.

Naturally the facts which we have set down have given an opportunity to enemies as well as to friendly critics to point out that the "self-help" feature is not prominent in the finances of

the movement. The question may always be asked: If this movement has done so much for the farmers, why do they not support it themselves? Several answers may be suggested. In the first place, there has evidently been a certain lack of discipline in the Irish co-operative movement, as compared with that of other countries. Farmers have been allowed to enjoy the privileges of membership without being brought to recognize their source and without sufficient insistence upon the attendant responsibilities, and like all people who have had the opportunity of getting something for nothing they are now unwilling to pay full value. This state of things arose out of the enthusiasm of the earlier workers, who were determined that the movement should go ahead, and found it impossible to move the farmers by any except the most gentle and persuasive methods. In other countries, where the idea of discipline was far more acceptable, the process has been easier.

Secondly, the State has done infinite harm by its rapid alternations between subsidizing and violent opposition. The former attitude, which is only too readily accepted in Ireland, tended to weaken the spirit of self-reliance and hamper the free development of policy. The latter has prevented the movement from attaining its full usefulness and has confused the minds of the farmers and the people generally.

In the third place, the failure of the credit societies to expand and to become the centres of deposit for the people's savings has prevented the establishment of a strong central credit society. At the same time, the creameries have never achieved a real marketing agency, so that it may be said that federation is weak in the movement. In most countries the central credit societies are able to provide capital for trading federations, and these in their turn can support the propagandist work. The complete separation of function and finances of the I.A.O.S. and the I.A.W.S. is another cause of weakness. These questions will be further discussed in subsequent chapters.

Finally, it should be noted that there exists a very clear dis-

tion, which has frequently been alluded to in the reports of recent years, between the two functions of the I.A.O.S., that of supporting and advising existing societies and that of organizing new ones. It is probable that if a clear division could be made between the moneys appropriated to these two functions the existing societies could be persuaded to contribute sufficient to pay for the services rendered to them (as, for instance, they now make the Auditing Department of the I.A.O.S. practically self-supporting), and the work of breaking new ground would then become a proper object for State aid and philanthropic contribution.

CHAPTER VII

THE CREAMERIES

No greater silent revolution has been effected in Ireland than that which has transformed the butter-making industry during the last twenty-five years from an unorganized, slovenly and unprofitable process, which went far to strengthen the English suspicion of the "dirtiness" of all that came out of Ireland, into a thoroughly organized and profitable one, which bids fair to give Irish butter a leading position on the British market. The chief credit for this revolution must undoubtedly be given to the co-operative movement, which is here seen in its most successful aspect.

In the early part of the nineteenth century, when the making of butter in all countries was carried out by the individual farmer without the aid of machinery, and when the facilities of cold storage and quick transport were undeveloped, the Irish farmer enjoyed an enormous advantage by reason of his close proximity to the great markets of England and Scotland. In those days successful and profitable dairy farming could be carried on in the rich valleys of Tipperary and Limerick without the necessity of any undue exertion or the application of modern methods of tillage or manufacture. The consumer had not yet come to demand uniformity of quality, flavor or output, and consequently, if the farmer was able to make a large amount in the summer season, he could afford to remain idle during the winter, confident in the fact that he would be equally well off next year, as soon as the milk began to flow again. "Shop butter" was condemned by all discriminating persons, who bought direct from

farmers wherever possible, and worried very little about occasional variations in flavor, which were always ascribed to injudicious experiments in pastures new on the part of the cows.

This happy state of things began to be rudely disturbed from about 1860 onwards. The war between Prussia and Denmark, coming at a time when agriculture was already beginning to change its character under pressure from distant countries, was just what was needed to show the businesslike Dane that his methods required complete overhauling. Denmark, once a country of extensive cultivation of wheat and other cereals, began with startling rapidity to devote her attention to the production of breakfast-table requirements, and was soon covered with a network of creameries equipped with the most modern and scientific appliances.

At the same time various broad changes in agricultural methods began to take place. Improvements, both in the speed of transport and in the facilities for cold storage during long voyages, brought other hemispheres close to the English markets—the greatest centre of consumption in the world. Thus, on the one hand, the farmer found that the market for some of his produce was destroyed, and that he must specialize in certain things, and, on the other hand, the possibility of importing food-stuffs and artificial fertilizers (and, later, machinery) at reasonable prices made the old methods of farming cumbrous and uneconomic. Most European nations profited very quickly by these lessons, but the majority of Irish farmers, who had no one to instruct or help them, and ~~comparatively little contact with the outside world, and who were still more or less crushed by the effects of the Great Famine,~~ paid little or no heed to the changes. While the Danes and the French learnt to feed their cows on imported food and on crops grown on their tilled and fertilized land, and to standardize and ensure both the quality and quantity of their butter, the Irish went on opening and shutting gates, trusting to Providence to send good green grass, and to the public to keep

on buying the butter they had been accustomed to buy. When they found that the public would not pay the old prices for this butter, they laid the blame on the tariffs, the railway companies, the landlords—anything but their own methods. And the Government, as is usual with a British Government where agriculture is in question, did nothing to enlighten them.

Meanwhile the butter from Denmark and France, and later, as transport facilities improved, that from Canada and New Zealand, began to make itself favorably known on the English markets. The consumer soon got a new idea of what butter should be, and began to demand a uniform product which could always be bought all the year round, and would always taste the same. A few countrybred people remained, and still remain, constant to the idea that good "farmer's" or "home-made" butter was the only kind that had "a real taste of butter"; but the vast majority, once introduced to modern creamery butter, refused to tolerate anything else. This fact was soon reflected in the price, and by about 1885 Irish butter was the cheapest on the market, and universally condemned—having to be sold surreptitiously under some other name. As a natural consequence the making of it—having become unprofitable and, therefore, unpopular—was abandoned by the better farmers, and it rapidly deteriorated. So it is that in the eighties we find a Member of Parliament stating that Irish butter was chiefly used for the adulteration of oleomargarine; and this remark, which was quite seriously intended, was almost literally true.

By the year 1889, when the pioneers of the co-operative movement first came upon the scene, the Irish dairying industry was threatened with ruin. Sir Horace Plunkett and his followers were not slow to realize what this would mean to Ireland; they saw that it could only be averted by a complete change in two directions: first, technique; and, secondly, marketing. The co-operative idea was already in their minds, but only as associated with

distribution after the English model.* They saw, however, that the same principles could probably be applied to dairying, and would be specially effective in dealing with both these points; and they felt that if this were so, it would be the most important use to which co-operation could be turned in Ireland. An investigation of dairying conditions in Scandinavia carried out by Mr. Anderson thoroughly confirmed this impression, and the effort at organization was immediately begun.

At this point it is worth while to make a brief digression to consider exactly what Denmark had done and has done in respect to these two points of technique and marketing.

Up to about 1850 Danish butter, whose pungent nature earned it the title of "forty-rod butter," was so bad that the best of it was sold at about 6d. a pound to German merchants; but the practice was brought to an end by the war of 1848. Thereafter a certain amount of butter from large estates was exported direct to England in sailing ships, but the average farmer's product remained very indifferent. At the same time a host of middlemen flourished on the trade. After the second war of 1865, however, in which Schleswig-Holstein was lost to Denmark, and the German market practically closed, Danish agriculture rapidly changed its character, and the production of butter became one of the most important sources of income.

"Individual Danish wholesale butter merchants specialized their trade, and arranged with the estate dairies for the weekly delivery of their butter production; others started export butter-packing factories. On certain days the farmers delivered their butter to these factories, where it was sorted, remade, and packed in small wooden casks for immediate shipment to England. These wholesale butter exporters quickly realized the advantage of selling direct to the English wholesale and retail butter merchants, and avoiding the expense of English commission agents. They

* See pages 53 ff.

traveled to England, interviewed the English wholesale and retail butter merchants, and henceforward they did their business direct, at first with the English wholesale merchants, later with the English retail merchants. The English buyers arranged to wire every Wednesday the quantity of butter that should be shipped to them next day f.o.b. Copenhagen. The English buyers paid the freight, and the price was to be that current on the Copenhagen butter market on the day of shipment." *

In 1879 the introduction of the separator made it desirable to set up creameries that would buy raw milk from small farmers and manufacture butter from it. This work was undertaken at first by capitalists, who met with little success because the interest of the farmers did not extend beyond the milk, and "because these private dairies were unable to turn the dairy offal, skim-milk, etc., to profitable account." These points were met by the co-operative dairies which sprang up between 1880 and 1890. At first their standard was low, but by 1895, by their speedy adoption of the new methods of refrigeration, pasteurization and "starters," they advanced beyond the estate dairies. The holding of butter shows under State supervision, together with the enforcement of loyalty among suppliers, paved the way to the present complete system of co-operative marketing of a standardized product.

It is not surprising that on Mr. Anderson's return from observing the beginnings of these developments, the Irish reformers should have been stirred to emulation. We have seen how during the years 1889 and 1890 fifty fruitless meetings were held in the attempt to organize a creamery. The first success came in 1890; there were seventeen in 1891, and no less than sixty-seven (selling £185,000 worth of butter) by 1895.

The form of organization of a co-operative creamery in Ireland

* J. J. Dunne, "Dairying in Denmark," *Better Business*, vol. ii, No. 2, February, 1917.

has changed very little since that date. The Rochdale principles, which we have described already, were adopted, and have been preserved. Shares were fixed in proportion to the number of cows owned by the intending shareholder. The original number prescribed was one £1 share for every cow, and although the amount seems to have become less adequate in the face of the increased expense required by a modern creamery, it has remained unaltered.

The most obvious requirement for the success of a co-operative creamery is that it should be assured of a steady supply of milk adequate to its equipment. A creamery built and equipped to cope with the supply from 1000 cows must almost certainly be wrecked if it ceases to obtain the milk of more than 500. For this reason it is essential that farmers who take part in the promotion of a creamery should continue to support it. Unfortunately it was found that neither the business sense nor the loyalty of co-operators was always proof against the temptations offered by rival buyers, or even against the mere capricious desire to try a new market. Consequently it became necessary to learn another lesson from Denmark, and to enforce the loyalty of members by a rule binding them to supply to their creamery all the milk not required for domestic consumption. In 1900 we find the following passage in the I.A.O.S. report:

“A very important and significant step has been taken by some of the new societies. Their members have given an undertaking to supply milk to their creamery for a term of years sufficiently long to ensure its success. The committee of a society which holds such a guarantee from its members can, with perfect safety, pledge their credit to obtain a sufficient overdraft from their bankers.”

By the next year a considerable advance had been made, the new societies having voluntarily adopted the following rule:

"Any member who shall without the consent in writing of the committee supply milk to any creamery other than that owned by the society, for the space of three years from the date of his admission to membership, shall forfeit his shares, together with all money credited thereon."

Considerable legal controversy took place as to the validity of this "binding rule," and the I.A.O.S. was advised that the enforcement of the penalty was *ultra vires*. After taking the best advice, it was decided to incorporate in all the new creamery rules a form of contract. Every member who agrees to be bound by the rules automatically accepts this contract. The society is bound, on the one hand, to accept all the milk of its members, provided it is delivered fresh and in good condition, and to pay for it at the rate fixed by the committee. The individual member, on the other hand, is bound not to sell milk to any other "creamery company, person, or persons who sell milk or manufacture butter for sale." Any breach entails a payment "as and for liquidated damages and not by way of penalty" of one shilling per cow per day in respect of all cows involved. Exceptions are provided in case of accident, labor or trade dispute, or infectious disease, and the committee has the power to refuse further purchases instead of levying the damages. Action has been taken from time to time under this rule, and has been frequently challenged in the law courts, with varying results; but recent decisions in the Court of Appeal seem to have established its validity beyond further dispute. The rule is undoubtedly of the greatest value in ensuring the safety of a creamery, but so long as non-members—who, of course, are not bound by the rules—are allowed to supply milk, there will always be a number of farmers who, from unwillingness to bind themselves, will refuse to take shares. This practice introduces a distinctly unco-operative and even unbusinesslike element into the working of the creameries. Unfortunately, in spite of the

exhortations of the I.A.O.S. and the provisions of the Act,* there are many creameries in which the number of members remains stationary while the number of suppliers increases.

The same rule contains a clause dealing with overlapping, which lays down the principle that no society shall receive supplies from an area already covered by a similar creamery. No hard-and-fast rule can be enforced as to the area to be covered, but the organizers of the I.A.O.S. usually demand a guaranteed supply from 800 to 1200 cows within a radius of from five to six miles before starting a central creamery. In large areas with a scattered population it has been found desirable to build auxiliary creameries which merely separate the member's milk and forward the cream to a central society within easy hauling distance. These are of two kinds, either separately managed and registered societies, working in conjunction with a central, or mere branch establishments entirely owned by the members of the central society. The latter are known as "part and parcel auxiliaries," and are, of course, not separately registered.

There has been very considerable difference of opinion as to the relative merits of the two forms of auxiliary; but on the whole the arguments in favor of the separately registered type have gained the day. Separate registration enables members of the auxiliary to carry on other business, such as collective purchase, and also to obtain credit. It ensures a better supervision owing to keener local interest, and also enables the auxiliary to effect a new affiliation should its central give up the business, or fail to give satisfaction. The "part and parcel" system is apt to lead to that spreading of control over an area too large for personal intercourse which co-operative societies should always seek to avoid. On the other hand, there is some difficulty in arranging the relations between a central and a separately registered aux-

* Under the provisions of the Industrial and Provident Societies Act a society is liable to income tax if it limits the number of its members and at the same time does business with non-members.

iliary in such a way as to avoid disputes, and in spite of a very carefully drawn model form of agreement, the I.A.O.S. is frequently called in to arbitrate. The testing of the amount of the butter-fat in the cream sent to the central, which is the basis of payment, requires delicate handling, and originally caused so much difficulty as to make the system seem somewhat unworkable; but with increased experience this difficulty has been largely overcome. The reports of the I.A.O.S. for 1900-1902 show considerable enthusiasm for the auxiliary system, and it seems to have been felt that the future of co-operative dairying lay largely in this direction. There has, however, been a gradual revulsion, caused by the failure of some auxiliaries which were started with insufficient reason, where cartage would have solved the problem, and by the feeling that all co-operative societies should, if possible, be locally controlled and independent. Unless 500 gallons a day can be ensured, it is probable that carting—which can be done for 1d. to 3d. a gallon—is more economical for any distance up to eight miles. Shipping cream by rail is rendered almost prohibitive by the rates charged, and this method is only employed in one or two cases in the whole country. For a successful auxiliary it is estimated that the supply from 500 to 600 cows should be available, and the cost of erection and equipment will be about £1000, as compared with £2000 to £2500 for a central.* These considerations seem to suggest that the development of the auxiliary system in future will be strictly limited.

The control of a co-operative creamery is in the hands of a committee of management elected by the members at a general meeting. The committee appoints its chairman, and also the manager, secretary, and other employees of the society. A general meeting of the members is held yearly, and one-fourth of the committee retire by rote at each such meeting, and are eligible

* Under present conditions, which we may hope are abnormal, these figures are well below the mark.

for re-election. The powers of the committee are very wide, including that of entering into all engagements and making loans or borrowing money on behalf of the society. The general meeting is bound to elect a public auditor who will submit a certified statement to each annual general meeting.

The price of milk is fixed from time to time by the committee at so much per gallon, according to the percentage of butter-fat contained in it. The price should be based on the amount received for butter, with a reasonable margin for all standing charges, working expenses, reserves, etc. A sample of each member's milk is taken on delivery, and tested for butter-fat, and at the end of each month (or in some cases each fortnight) payment is made on the basis of this test for the amount of butter-fat actually received by the society, according to the price fixed. The skim-milk is returned to the supplier, and is used for the feeding of pigs, calves, etc. In spite of an idea which is still held by some old-fashioned people that skim-milk is bad for calves, this privilege is very greatly appreciated, and has the effect of drawing many suppliers to the co-operative creamery.*

Any surplus accumulated during the year as a result of paying a lower price than the milk actually earned is appropriated in accordance with Rule 72, which reads:

"The net profits of the society, after payment of interest on loan capital, shall be applied as follows:

"(a) To the payment of interest, which shall not be cumulative, on paid-up share capital, not exceeding 5 per cent.

"(b) To reserve fund, at the rate of not less than 10 per cent. of the total net profit, until such reserve fund shall at least equal the nominal share capital of the society.

"(c) To a dividend to persons employed by the society and to members at an equal rate in the pound, calculated on the

* It may be mentioned that in Danish creameries a good deal of the working capital is derived by charging a small price for this separated milk.

amount of their wages and their trade respectively, during the period to which the division relates.

“(d) To the creation of a fund for promoting co-operative organization.”

There are two unfortunate features connected with this rule. In the first place, by the use of the word “profits” it lends the authority of the co-operative movement itself to the prevalent theory that co-operative societies make profits. As a natural corollary, these societies have now been brought within the scope of the excess profits duty, and the old agitation conducted by interested parties against the exemption from income tax has been renewed with great vigor. Properly speaking, there is no such thing as profit in a co-operative society; the apparent surplus represents an amount held back from the price due for milk, which is kept as a reserve against risks, and, if not required for this purpose, must be returned to the persons to whom it belongs—namely, the suppliers. The idea of profit involves an absurdity, as it suggests that the members in their corporate capacity are trying to get the better of themselves in their individual capacity.

In the second place, the term “reserve fund” has never been defined, and as a consequence the vast majority of Irish creameries do not comply with the spirit of the rules at all, but simply carry forward their accumulated surplus year by year as “balance disposable,” and the I.A.O.S. has tacitly encouraged this practice by including these sums in its statistics under the heading “reserve funds.” This gives a misleading idea of the financial position of the societies, and the members frequently think that the whole amount under this head is available for division in cash, and should be so used, whereas it is usually locked up in buildings and equipment and offset by a bank overdraft. An energetic effort is now being made for reform in this direction,

and several progressive societies have written off the whole value of their buildings and plant.

This brings us naturally to a consideration of the financial methods of a co-operative creamery. The problem of capital has always been a difficult one, and it is held by many that the present methods are inadequate. Shares, as we have remarked, are of the value of £1, and are usually held in the proportion of one share per cow. But of this amount only 2s. 6d. is payable on allotment, and further calls are at the discretion of the committee, and are seldom made. It follows that the money required for equipment must be largely borrowed. By an arrangement made between the I.A.O.S. and the joint-stock banks, the latter agree to lend money at a flat rate of 4 per cent. to all affiliated co-operative societies, and practically all the creameries avail themselves of these favorable terms. Unfortunately, however, the banks do not recognize the societies as such, but insist upon a collective note from the members of the committee, so that in case of necessity they will be able to proceed against one or two prominent persons for the whole amount of the loan. The committee members in turn must protect themselves, and this they do as a rule by the issue of loan guarantee shares. Every member may be obliged to take one of these shares with every ordinary share he holds. The nominal value is £1, but only 1s. is paid, and the rest is payable only on liquidation, when the amount so raised is applied to paying off the debts of the society. Another method is for the members to sign a collective letter of indemnity to the committee, but the process of collection would probably be slow. The unsatisfactory feature of this arrangement, apart from the fact that the stability of the creameries is made dependent on the goodwill of the banks, lies in the fact that no committee man can be removed from office as long as he is a guarantor, and thus the feature of democratic control tends to be weakened. As a working arrangement, however, it has so far proved to be satisfactory.

Figures are given in Appendix I showing the proportion of owned capital to loan capital and turnover respectively in the four provinces. While they reveal the fact that the capital of the societies is small, it will be found to compare favorably with that obtained in other countries, and it must be remembered that the creameries have a great advantage over supply societies or stores, in that they usually get paid for their butter before they pay for the milk from which it is made. They are, however, frequently slow in paying off overdrafts, writing down their equipment, and paying for goods purchased, and it seems as if for this and other reasons there would be a great deal to be said for adopting the practice usual in other countries of having shares fully paid up in the course of three or four years by means of instalments withheld from the price paid for milk. The figures show that the capital per member at present is very small when we consider that dairy farmers are a comparatively prosperous class, and are deriving great material benefit from the creameries. The actual amount of benefit accruing to farmers is hard to estimate definitely. But the decrease in the number of proprietary factories and creameries, and the diminished production of "farmers' butter," taken in conjunction with the greatly increased output, both in quantity and value, of Irish butter, shows that to this form of organization more than to any other credit is due for the improvement which has taken place in the last twenty years. The official statistics of exports and imports, from which extracts are given in Appendix VII, illustrate the increase referred to, and the rise of butter in importance, as compared with other Irish products. Meanwhile the number of creamery societies has increased steadily, and though the end is not yet, there are no large dairying sections in the country where the co-operative seed has not been planted. The details of this growth, as well as a table showing the geographical distribution of the existing societies, will be found in Appendix I. In number, membership and value of business the creameries are the most

important group of co-operative societies in Ireland, and their success alone would justify the policy inaugurated by Sir Horace Plunkett.

In addition to the actual production of butter, many of these creameries carry on various subsidiary enterprises for the benefit of their members. Of these the most common is the collective purchase of agricultural requirements of all kinds, in districts where no special society has been formed for that purpose. The creameries also do a large trade in eggs and poultry, which they collect from their members and sell either through the Irish Agricultural Wholesale Society or direct. An important development, which has received a new impetus under war conditions, is that of setting up mills to be worked by the power which is already available at the creamery. There is no doubt that wheat-growing could be largely stimulated in many parts of the country if facilities were provided for converting the crop into flour for home consumption. At present it is frequently forty miles or more to the nearest mill, and after the wheat reaches the mill the producer is entirely in the hands of the miller. Irish wheat is not well adapted for making modern white bread, unless mixed with foreign varieties; but it is excellent for home-made whole-meal bread, which is much more nourishing and wholesome. Every encouragement is therefore being given by the I.A.O.S. to creameries to undertake this business, as they can do it in a safer and more economical way than a new society which would have to erect a special plant. Even in districts where there is little prospect of wheat-growing there is usually an opportunity for a simpler form of crushing-mill for converting home-grown oats into fodder, making maize meal, and for similar purposes, and there are already many creameries deriving great advantages from an inexpensive equipment of this kind.

One further activity of the creameries is the lending of money to suppliers at some periods of the year, against the security of their milk. This practice might be a very useful one if it were

regularized by the addition of a proper banking branch to the society; but as it stands at present it is discouraged by the I.A.O.S., as abuses—among others, those of lending for unproductive purposes, and to suppliers who are not members—are liable to spring up.

The success of the co-operative movement is shown very clearly by the gradual elimination of its competitors. The output of factories and proprietary creameries is on the decline, although, unfortunately, no figures on the subject are available. The word "creamery" has come to be synonymous with co-operative society throughout the country. But, in spite of this, the creameries are scarcely more free from competition in sale than they were at the beginning of the movement, for the unfortunate reason that they have not yet been convinced of the necessity of not competing with one another. In other words, although the process of manufacture has been organized and the technique improved to a degree which rivals the progress of Denmark, the problem of marketing the product remains almost untouched. Yet the importance of this problem was understood from the very beginning, and several attempts were made to deal with it.

As early as the year 1892 a federation was established under the name of the Irish Co-operative Agency Society, Ltd., with headquarters at Limerick, and offices and stores at Manchester, whose main purpose was to market the butter of co-operative creameries, and incidentally to purchase the requirements of affiliated societies. During the first year of its existence it was involved in one of the perennial lawsuits which have always afflicted co-operative pioneers, and was also crippled by bad debts. Between these two causes all of its capital disappeared before the end of the year. Its leaders, however, persevered, and were able to act as a purchasing agency for the first agricultural societies which bought guaranteed and tested manures. With this help the Agency finally recovered and worked up a turnover of £77,000 by the year 1895. The membership in this year increased

from sixteen to forty-two societies, each of which took twenty £1 shares, on which 5s. od. a share was payable on application, the remainder being made up out of profits due the societies. A discussion on the subject of the federation at the annual conference of co-operative societies in this year revealed a feeling among some delegates that they ought not to be bound to the Agency in any way, and unfortunately this point was conceded without argument. The natural result was that all societies, except those of strong co-operative faith, sold through the Agency only when the market was bad, and at other times cheerfully accepted high prices from other quarters. Consequently, the Agency was unable to do its business in the most effective way, and soon got a bad name for its prices. Several delegates, however, generously acknowledged the great services which the Agency had already rendered to farmers, and it was stated that it had made the keeping of a cow 25 per cent. more profitable. A sub-committee of inquiry was appointed to investigate the prospects, and reported in 1897. Its conclusions were that the work of the Agency was being well done, but that the support accorded to it in the matter both of trade and of capital was inadequate. The creameries were said to show indifference to it, and a tendency to dump bad butter on it. The recommendations made to meet this state of things were: First, more trade should be done with retailers, and more advertisement should be indulged in. As a preliminary to these developments a strenuous effort was to be made to increase the capital. Secondly, a commission of 2½ per cent. should be charged on regular consignments from members, while irregular ones should be dealt with according to circumstances. Thirdly, headquarters should be moved to Dublin and augmented by a retail department. Fourthly, provincial representation on the committee was to be accorded in proportion as dairying increased in the various districts. The establishment of an ice-making company, and the issuing of a prospectus were also urged. Meanwhile, in 1896 an attempt on the part of the Agency to market

barley for its members had ended disastrously, and other agricultural trade had led to losses. It was decided that this trade could be better handled by a separate organization, and a new federation was accordingly formed. The new body was first known as the Irish Co-operative Agricultural Agency, and after a year became the Irish Agricultural Wholesale Society.

Most of the recommendations of the sub-committee seem to have remained inoperative. The headquarters of the Agency remained at Limerick, and the lack of capital and other difficulties continued from year to year in greater or less degree. Satisfactory progress was made, however, by dint of careful and persevering effort on the part of the management, and in 1899 the Agency bought a creamery to stabilize its supplies.

The subsequent history of the society has been one of moderate progress. In the direction of selling to retailers it has carried out to a very large extent the recommendations of the sub-committee of 1895, but until the support which the creameries give to it both in regard to capital and trade is greatly improved the Agency cannot be considered to fulfil the functions of a proper marketing federation. In the 1914 report of the I.A.O.S. the committee says: "The question of marketing still remains unsolved, but it must be dealt with thoroughly in the near future if the control of that part of the business is not to pass into the hands of others than the representatives of the creameries." The point is thoroughly illustrated by the statistics of 1915, which show the total sales of the Agency as £177,531, compared with butter sales to the amount of £3,167,686 made by the 300 creameries affiliated to the I.A.O.S. The vast majority of the creameries, to quote the report again, "have done little or nothing to remedy the evils of the system of marketing which still admits of every creamery competing with the rest in 'cutting' prices."

Creamery managers are inclined to lay the blame for this state of things at the door of the Agency itself, on the ground that it

does not get satisfactory prices on the commission system, and that they can do much better by selling direct. But the officers of the federation deserve every praise for the way in which they have built up a paying business in spite of every difficulty. The fault must be looked for in the attitude of the creameries, whose committees persist in regarding the Agency as an outside trading body rather than as their own federation, and whose managers are unable to resist the temptation of sheaves of telegrams from English and Scottish houses which greet them in a time of scarcity. In times of glutted markets they fall back upon the Agency.

The main difficulty seems to have arisen from the fact that the Agency was started too early in the development of the movement, when there were not enough creameries to give it adequate support. It was consequently driven into a weak position from the beginning, and has never been able to assert itself as a real federation with disciplinary powers. Of late years the Irish Agricultural Wholesale Society has entered into competition with it to some extent, by marketing butter on a commission basis through its agricultural produce department. But here again it is obvious that managers who are making first-class butter and selling direct at high prices are not at all likely to wish to sell on commission. Consequently, the Wholesale cannot look forward to anything but the produce of less energetic or capable societies, and perhaps the surplus of others when the market is bad.

Nothing short of a complete reorganization will suffice to meet these difficulties, and in carrying out such a change it would be well to take a lesson from the large co-operative selling associations which have been successfully established in California and some other parts of the United States. In these the federation never actually handles the goods sold, and does not, as a rule, fix the price; it simply acts as a clearing house for offers on either side. On the other hand, its officers are directly elected by the organized producers, and no produce is sold except through its

medium. Expenses are met by a definite assessment, fixed each year by the directors, on every unit sold. Thus there is no possibility of "dumping," and no questions can arise as to the price obtained by the federation.

In the case of a strong federation of this kind, the produce is invariably sold under a brand. As it is essential to success that such a brand should inspire confidence as implying a certain standard, a staff of inspectors is employed to see that this standard is maintained. This question of standardization is inseparably bound up with marketing, and here again Ireland has been behindhand. The I.A.O.S. has long recognized that Irish butter would gain a far higher position on the market if it were sold under a well-recognized brand which was a guarantee of high and uniform quality. It was hoped that any federation which took charge of the marketing would rapidly establish such a brand, and the question was frequently discussed at general meetings and conferences. Failing this development it was decided, as the result of an excellent paper read by Mr. Anderson in 1910, that the Organization Society should take up standardization as an educational matter, and accordingly regulations were drawn up for a "butter control" scheme on the lines of that in operation in Denmark and Holland, but, of course, without any support, or even approval, from the State.

Creameries which adhere to the Control must pay their affiliation fees and the special subscription fixed for the year by the I.A.O.S. They are bound to produce their butter in conformity with certain strict regulations, designed to ensure, not only first-class flavor and purity, but also keeping quality without the use of preservatives other than salt and not more than $\frac{1}{2}$ per cent. of borax. Samples are sent to the central office once a month, and are examined by an expert bacteriologist. Surprise examinations and inspections may also be made. One pound of butter of each day's churning, free from preservatives, must be kept by the creamery manager for fourteen days (not in cold storage) in

order to check its keeping qualities in case of complaint. Labels, bearing the Butter Control brand, are issued by the I.A.O.S., and remain their property. They must be affixed to all butter made under Control conditions, and not to any other. The samples sent in are reported upon in due course. Any faults must be looked into at once, and in case of butter which fails to come up to the required standard, the use of the label is withdrawn from the offending creamery until the deficiency is made good. Samples of water, salt and parchment are also analyzed, and in some cases special investigation is made of the milk or cream in order to trace any failings. A weekly report is sent out to all participating creameries, giving the results obtained in respect of output, average price, and so on, each creamery being designated by a number varying each week. The report also contains brief observations by the officials in charge.

A system of this kind should go a long way towards standardizing Irish butter, improving its quality, and giving it an assured position on the British market. Up to the present it has been surprisingly difficult to induce creameries to conform to the conditions of the Control. The price of butter has been high, and it has been easy to sell. Managers who have participated in the Control system, while acknowledging its benefits in improving butter and giving the clue to difficulties, have not found that it brought them an increased price. Other managers, failing to realize that it cannot do this until a larger number join, have stayed outside in order to save themselves what they regard as unrewarded trouble. The number, however, is gradually increasing, and the Control brand is beginning to be known. A good sign of progress is that somewhat apprehensive references to the system have appeared in Danish papers. The quality of the butter produced under the Control is illustrated by the fact that consignments have been successfully sent to Cape Town and to the internment camp at Ruhleben, while some which went to Spain and was returned failing delivery was afterwards sold over the

counter without complaint. Butter to the value of about £250,000 was made under the Control system in 1915 by thirty creameries; 283 analyses were made, 175 visits paid by organizers, and 65 supplies of pure culture for ripening were forwarded to participants.

The chief difficulty of a technical nature which obstructs the progress of Irish creameries is the falling off of the milk supply during the months from October to April. During a large part of this period the whole of the creameries are working no more than half-time, and many of them are closed altogether for a month or two. This, of course, means that they lose their position on the British market, and have to buy it back each spring. As a result of this system it also comes about that suppliers get less for their milk at the very time when butter is highest, and there is little inducement for them to go in for winter dairying. It has been suggested that some of the summer prices should be withheld to meet this, but few committee men would consent to such a scheme. Meanwhile the difficulty is met either by cold storage, or by the importation of foreign butter. The reason for the shortage of milk lies in the system of grass-feeding, which is practically universal, and a remedy must be sought in the introduction of tillage under a system suited to small dairy farms. This need has been accentuated by war conditions, with the increased price of imported feeding-stuffs, and the authoritative demand for more home-grown production. The I.A.O.S. has sought to stimulate tillage by recommending the system of "continuous cropping," a development of catch-cropping evolved by Mr. T. Wibberley, who was for some time the Society's agricultural expert. It is beyond our province to go into the technicalities of this system, but it may be said that experiment seems to show that it is well suited to the conditions of Irish soil, climate and holdings, and would go far to increase the production of winter milk. It has a special value in that it will meet the existing shortage of labor, by enabling the work to be done with

simple modern machines, and the provision of these machines is essentially a matter which can best be dealt with by co-operative organization. The societies formed for this purpose will be considered later. The question of winter dairying is one which we should naturally expect would receive vigorous attention from the Department of Agriculture, but although officials universally admit its vital importance, the result of their efforts has not been striking.

In the same way the average yield of the cow is a point of the greatest possible importance in a dairying country, and in this respect Ireland has still much to learn. A cow-testing association or milk record society is an inseparable adjunct of a creamery in Denmark and other progressive countries. It enables farmers to discover year by year exactly how much the various cows in their herds are worth to them as producers of milk, and whether they are returning a profit or not. In this way the unprofitable ones are weeded out and the strain constantly improved in respect both of quantity and fat content of the milk. Many Irish farmers are still under the impression that one milch cow is as good as another, and take little or no trouble to keep their herds up to a high standard. Both the I.A.O.S. and the Department have tried to organize cow-testing associations in connection with creameries, and the latter body is prepared to give them a small grant in aid. The advantages of cow-testing are well illustrated by a passage in the I.A.O.S. report, which recounts how two farmers who joined an association in absolute ignorance as to the yield of their cows discovered, in one case, that the best cow gave milk valued at £19 and the worst only £9 worth, while in the other case the figures were £12 and £5 respectively. About 250,000 cows provide the milk for the co-operative creameries alone, and the average yield is probably not more than 400 gallons per cow, as against about 700 in Denmark. The difference, which represents an enormous sum in actual money, could probably be made up by a judicious application of the testing process.

In spite of these impressive facts, there are probably not more than six or seven successful cow-testing associations in Ireland at present, and there is very little sign of enthusiasm. The reason may probably be found in the fact that the managers of creameries, especially the more able ones, are already overworked, and they are almost the only people who could be expected to organize such associations. The difficulty will only be got over by determined action on the part of the State, working in close harmony with the I.A.O.S.

We may bring this chapter to a close by a brief summary of the services which the I.A.O.S. is in a position to render to the creameries. In addition to the work of organization and supervision in the early stages, the central body provides them with expert technical advice as to machinery and equipment, and also provides plans and specifications for the buildings themselves. For these purposes the services of an expert in dairy engineering, and an architect specially familiar with the problems, are retained. Inspections are carried out from time to time, both with regard to the production of butter and also the keeping of the books. Questions affecting the organization of auxiliaries, agreements between auxiliaries and centrals, and arbitrations in case of dispute of any kind, are taken care of. Creameries are kept informed of their responsibilities in respect of such matters as insurance of workmen, etc., and are advised as to the insurance of their produce. In legal and parliamentary matters particularly, the I.A.O.S. is helpful by bearing the expenses of test cases, or by representing the creameries in respect to Bills affecting their welfare. In this way the "binding rule" has been established, and amendments have been secured to several Bills, such as the Dairies and Cowsheds Act. One matter in which the creameries have suffered greatly is the disposal of their sewage. It is believed that the effluent, which is certainly unpleasant, is harmful to cattle, and many creameries have been prosecuted and forced

to pay heavy damages on this account, usually at the instigation of interested persons. The I.A.O.S. has made, and is making, determined efforts to find a solution for this problem, and has also been of assistance in defending the creameries in the courts.

CHAPTER VIII

AGRICULTURAL SOCIETIES

THE "co-operative agricultural society" of Ireland is similar in general aspect to the "supply society" of Germany, and, to a less extent, to the *syndicat agricole* of France and the Italian *consorzio agrario*. The purpose of these societies is the collective purchase of the agricultural requirements of their members at reasonable rates, and with a guarantee of quality. The chief articles dealt with in this way have been fertilizers, feeding-stuffs, seeds, and a certain amount of machinery.

The conditions which gave rise to the development of these societies were quite as deplorable as those which affected the production of Irish butter. The farmer, as has been pointed out by A. E., is essentially a manufacturer who is creating a finished or partially finished article of consumption from raw materials. He is consequently entitled to the privilege enjoyed by any other manufacturer, of buying his requirements at the lowest prices. In spite of this fact, it has been customary for him to buy habitually in the dearest market in retail quantities, and to sell his produce in the cheapest market. In the early days of the co-operative movement all small farmers bought everything they required from the village store, which was usually an adjunct to the public-house. The owner of the store, in many cases, combined the function of a general provider with those of purchaser of produce and money-lender to the community. Under this last aspect he was known as the "gombeen-man," and was a familiar and disastrous feature of Irish life. The gradual elimination of the "gombeen-man," who is now, though still prevalent, far less

powerful, may be largely ascribed to co-operative activities. The actual function of money-lending, which earned him his name, was attacked by means of the credit societies which will be discussed in the next chapter, but in his capacity as storekeeper he was able to do a great deal of harm, which was countered to some extent by the agricultural societies.

Practically no transaction at the village store, or even at the large trader's shop in the country town, was accompanied by any transfer of cash. All that the customer bought, including liquid refreshment, was entered on the ledger—at the price fixed by the seller. The opposite page contained entries of credits for a certain amount of produce—the price on this occasion being dictated by the buyer. In the more poverty-stricken districts work done for the storekeeper was also entered on the credit side of the ledger. From time to time a balance was struck, and it was no uncommon thing for interest, calculated at an arbitrary rate, to be added to the sums outstanding. When it is realized that the victims of this system had no knowledge of accounting whatever, and were many of them scarcely proficient in reading and writing, it is easy to see that they were entirely at the mercy of the trader. In some instances, no doubt, the local storekeeper proved a shelter to the poorer people in times of distress, and carried them over periods when they could not otherwise have survived; but he was, as a rule, well paid for his services in the long run, and such cases must have been few in comparison with cases of extortion. In any event, the existence of such a tyranny, even if beneficently exercised in some districts, could not be good for the character or business capacity of the people, and certainly the large fortunes accumulated by traders in out-of-the-way and impoverished communities show that something has been seriously wrong with the system of distribution. Even the larger farmer, who, by virtue of superior education and greater purchasing power, was able to pass by the local trader or to meet him on a more equal footing,

had no real means of obtaining his requirements on reasonable terms. The rings of wholesalers and manufacturers dictated the prices without opposition. But this was not the most serious difficulty. In no case were either seeds or manures accompanied by any sort of guarantee, so that the farmer who purchased them was not in the least certain of getting any good results. Most of the seeds sold were thoroughly worthless as regards both purity and germination, while the fertilizers were almost invariably deficient in the most valuable elements. It is true that an Act of Parliament was in existence under which the purchaser was entitled to have an analysis made of the materials, but it is safe to say that nine-tenths of the Irish farmers were totally unaware of this fact, and in any case it was most improbable that an individual small farmer would be sufficiently bold or energetic to undertake the trouble and expense of such a process.

The organization of co-operative societies for joint purchase of such requirements offered, therefore, the following advantages: First, wholesale purchase on contract at low rates; secondly, a possibility of insisting upon a guarantee with the goods, and of getting samples analyzed from the bulk consignment at very small cost to the individual; and, thirdly, reductions in costs of freight and expenses of handling. The idea of starting societies for this purpose, as distinct from creameries, seems to have originated after the meeting between Sir Horace Plunkett and Father Finlay, to which reference has been made. The latter, with the idea of German supply societies fresh in his mind, at once urged the organization of similar associations in Ireland. A group of five of these societies was founded about October, 1894, on the border of Tipperary and Kilkenny, and met with immediate success. A table in the first report of the I.A.O.S. shows the remarkable savings per ton on various kinds of fertilizers made in the first purchases, and at a joint meeting of the societies

held on April 27, 1895, it was stated that a saving of £5000 had been effected in six months by joint purchasing.*

The form of organization of these societies was similar in practically all respects to that of the creameries. The same features of democratic control, limited shareholdings and interest and management by an elective committee held good. In fact, the rules for a co-operative creamery will serve for an agricultural society, with very slight modifications. The method of financing the societies is also the same in theory, but a certain added difficulty is found in practice. There is no obvious basis for the taking of shares, such as is provided by the number of cows in the case of a creamery. Efforts have been made to fix the holdings in proportion to some standard, such as poor law valuation or acreage farmed, but there is no universal practice, and in most societies the number of shares taken seems to be left to the free will of members. As a consequence of this, the amount of capital subscribed in these societies varies very largely, even when they are in the same neighborhood and organized within a short time of one another. The point is well illustrated by the following table, which deals with ten agricultural societies, all organized by the same person, with the same objects:

Date of Registration	County	No. of Members	No. of Shares Taken
27.10.14	Kildare	93	171
14.12.14	Wicklow	116	131
11. 1.15	Wicklow	66	642
11. 1.15	Meath	63	67
13. 1.15	Louth	44	70
17. 2.15	Wicklow	94	199
19. 2.15	Meath	100	158
20. 2.15	Kildare	72	242
6. 3.15	Louth	61	323
1. 3.15	Westmeath	37	57

* See *Irish Homestead* of that date.

In all cases the shares are of the nominal value of £1; a first call of 2s. 6d. is made, and it is very unusual for more than this amount to be paid up. Consequently a society with 200 shares, which will not be much below the average, has a paid-up capital of only £25. This was, in fact, the average amount in the case of sixty-three societies of this kind in Connacht in 1914. Evidently, such a capital does not suffice to carry on the society's business, even with very low working expenses. The difficulty is got over, as in the case of creameries, by borrowing from the bank on the joint and several guarantee of the members of the committee. Practically every society in Ireland has an overdraft of this kind, on which as a rule 4 per cent. interest is paid. The average overdraft in Connacht amounts to about £200, and in Leinster, where the turnover is larger, to £350. The other provinces lie between these limits. The defects of this system of financing societies have already been touched on in the chapter on creameries, and the argument need not be repeated here.

Even with the overdraft system, however, the agricultural societies are not as well off in respect to capital as they should be. They are obliged to give a considerable amount of credit to their members, and consequently are frequently behindhand in payments to their wholesalers. The member who purchases goods from such a society does not expect to have to pay for them until he has had some benefit from their use. This may be conceded to be a reasonable point of view on the part of the small farmer; in any case, there is no likelihood of its being altered. It follows, therefore, that as long as the society deals in fertilizers, seeds and feeding-stuffs, the members will require considerable credit. In the case of basic slag, which forms a large part of the turnover of many societies, at least six months' credit must be given, and it may be taken as the usual practice that members of agricultural societies get, on the average, at least three or four months' credit for all the goods they buy from them. Unfortunately, in practice this period is often extended and sometimes stretches to a year

or more. The society which gets such treatment for its members must necessarily lose many of the benefits of cash payment, as well as weakening the position of its federation, unless it has a considerable reserve capital, and in very few societies is this forthcoming. The fact that as a rule no buildings or equipment are required, and that the members of the society take little interest in its existence except at the particular season of the year when their requirements are bought, tends to make the raising of more capital particularly difficult.

Two ways of getting over this difficulty suggest themselves; either the functions of an agricultural society might be largely delegated to creameries, or their scope might be enlarged by the addition of some other activity which would evoke continuous interest. The former plan has been adopted steadily and with great success since the beginning of the movement. Immediately after the foundation of the first agricultural societies many creameries took up collective purchase, and the I.C.A.S. acted as the wholesale body. At the present time practically all the creameries do a good deal of this business, and are consequently known as co-operative agricultural and dairy societies. But there are naturally many districts where local conditions do not admit of the establishment of a creamery, and it is in these places that an agricultural society proper will be found. As we have said, unless something is added to the function of buying fertilizers, seeds and manures, such a society will be comatose most of the year, thus losing the real spirit of co-operative endeavor and becoming a somewhat fortuitous combination for a limited business purpose.

The first intention was that agricultural societies should act to some extent as centres of technical improvement, and also as channels for the sale of their members' produce. A good deal was done by the pioneer societies in the direction of buying good bulls and other breeding stock for the improvement of local strains, and one or two miniature experiment stations were also carried

on. The foundation of the Department of Agriculture, however, with the special purpose of dealing with such matters, naturally put an end to these undertakings, which were only begun by the societies in the absence of a better medium. The collective sale of produce proved in Ireland, as in all other countries, a far more difficult matter than any other form of co-operation. Difficulties of grading and standardization, jealousies between members, need of capital and of finding a ready market for perishable commodities make this an enterprise only to be attempted where the co-operative spirit is thoroughly awakened and the standard of professional education is high. In Ireland there is little to be sold with the exception of butter (which was already dealt with by the creameries), live stock, barley, and a certain amount of potatoes.* An experiment in the selling of barley by the I.C.A.S. ended in disaster, owing to the uncertainty of the market, and the few efforts which were made to form live-stock-selling associations did not attain any permanent success. The loyalty of members was not proof against competitive bidding, and they had no facilities for finding any market for themselves independently of the Dublin buyers. One or two attempts have been made to promote collective sale of fresh milk in the neighborhood of cities, but this is a proverbially hazardous enterprise, and so far has not succeeded. A certain amount of sale of potatoes and eggs can, no doubt, be effected through a society, just as it used to be through the village shop, but this cannot be done unless the society has headquarters always open, and it will not be enough in itself to create the need for such headquarters.

Two further methods of widening the scope of an agricultural society are developing rapidly in Ireland. The first is to increase the range of articles which the society will buy for its members; the second, to combine it with what is called an implement society.

The question whether or not farmers' co-operative societies

* War conditions have caused the oat crop to assume abnormal importance and the co-operative marketing of grain is now a possibility of the near future.

should concern themselves with the purchase of other than professional requirements has been hotly debated, both from the ethical and from the practical standpoint. There are those who hold that it is not fair to what is known with unconscious irony as the "legitimate trade," and these are many in Ireland; there are others who believe that it is not good business that the farmer should indulge in speculations outside his own profession—*ne sutor ultra crepidam*. In Germany every co-operative society (including the Raiffeisen banks) holds this power in reserve, as a weapon of defence against bad behavior on the part of traders; but it is not largely exercised except in one or two provinces, partly for business reasons and partly because the State, which has done much to foster co-operation, looks askance upon this form. In France and Belgium, and to a less extent in Italy, the tradition of the "professional union" is strong enough to make excursion into general trading still somewhat heterodox. But in Denmark, which is the nearest model for Ireland, the supply societies which cover the country districts, with a membership 80 per cent. of which is agricultural, make the supply of domestic requirements a leading feature of their trade. The example seems to be worth following in any country of small-holders. Their various economic needs cannot be separated into watertight compartments, and in the case of laborers, the general store is almost the only way of bringing them in touch with the movement.

In Ireland, although the first society Sir Horace Plunkett ever organized was a general store, the policy of the I.A.O.S. was to discourage this form of association, or at least to leave it to the Co-operative Union, and confine its own activities to agricultural business. This policy worked well enough so long as the creameries held the field, but with the appearance of the supply societies the question at once arose whether they should not purchase all their members needed. The development was hastened in many cases by the action of local traders who, when they found that the members of the society went elsewhere for

their fertilizers, attempted to boycott them, and refused to sell them tea and sugar. The obvious method of retaliation was for the society to go in for general storekeeping, and this was frequently done. The advantages obtained in attracting more membership, ensuring continuous activity, bringing in increased support to the federation, and reaching a poorer class of people, appealed strongly to the I.A.O.S., and such societies were freely admitted to affiliation. They provoked violent opposition, however, on the part of the "legitimate trader," and it was round them that the most bitter controversy raged. With the coming of the grant from the Development Commissioners, the vested interests were sufficiently powerful to have it made a condition that societies for other than agricultural purposes should not be promoted or admitted to recognition. There is no bar, however, on agricultural societies, once organized, voluntarily adding a general department, and this is frequently done with most satisfactory results. Among other advantages it enables the secretary or manager, who in a purely agricultural society must be content with a very small percentage on sales, to be comparatively well paid. The whole question of these stores will be dealt with in subsequent chapters.

The second method of widening the scope of an agricultural society is that of combining it with an implement society, which will buy collectively the machinery and implements which its members require for the improvement of their tillage, and which they are unable to purchase individually. Under this system the society obtains an overdraft from the bank and buys, say, a tractor worth £300. This machine would be quite beyond the reach of an individual member, but is of very great value to all of them. It is hired out to them in turn for a certain time at a rate fixed by the committee, so as to allow a margin over and above working expenses. This margin is accumulated and applied to paying off the overdraft. Several societies have paid for the less expensive machines in this way during the course of one year,

after doing their members' work at reasonable rates. The most obvious difficulty is that there may be a number of members wishing to use the machine at the same time; but in practice this has never yet been a source of trouble. The procedure has been, when two people applied simultaneously, to give precedence to the man with the smaller acreage, or, failing this, to draw lots for the privilege. Societies of this kind for the common ownership of threshing machines, either in combination with agricultural societies or creameries, or as separate bodies, have existed for many years, particularly in County Wexford. They have been fairly successful, but there is always difficulty in getting the members' corn threshed before the market weakens. The actual implement societies are a very recent development, brought about largely by Mr. Wibberley's campaign for "continuous cropping," to which we referred in a previous chapter in discussing winter dairying. This system of tillage in a district of poor small-holders such as is found in the West of Ireland makes a co-operative implement society a most desirable form of organization. The recent demand for a great increase in the area under tillage has stimulated the formation of such societies, which in many cases can be shown to have caused an improvement of as much as 100 per cent. in the tilled area within the sphere of their operations. The chief difficulty which has to be faced is that of providing persons with expert knowledge of machines, not only to organize the societies, but to keep in touch with them afterwards, in order to see that the implements are properly treated. This latter function should be performed by the field workers of the Department of Agriculture; but in Ireland no special training in such matters has been available, and the lack of harmony between the Department and the I.A.O.S. has been a stumbling-block to progress.

It will be seen that an agricultural supply society is not in itself a very definite form of association. The business of buying agricultural requirements may easily be taken up by a creamery, or

if the law permits, as in Germany, by a credit society. On the other hand, a society started for this purpose may expand into other occupations, or it may sink into the position of only taking on corporate shape once or twice a year, in which case an informal association which would automatically dissolve when the transaction was completed would be equally satisfactory but for the problem of credit.

The economic results achieved by agricultural societies in Ireland are not very easily distinguished. We can only point to a continuous improvement in the conditions of sale of the principal articles in which these societies deal. Prices have been lowered, rings have been broken, and, what is perhaps more important, guarantees of quality have been made a *sine qua non*.

These things have been accomplished, not so much perhaps by the individual action of local societies, as by their joint action through the medium of their trade federation. We have already stated that ten agricultural societies were organized during the first year in which this idea was introduced, and that of these five were situated close together, and did their buying in common on most advantageous terms. From this venture arose the first pitched battle with the organized middlemen, and also the first effort at federation for trade purposes. It is interesting to turn to the early numbers of the *Irish Homestead* and see the progress of the battle. In March, 1895, we find a report of the meeting of the Mercantile Traders' Association, Thurles Branch (the district in which the five societies lay), at which the following resolutions were passed:

"(1) That the traders at this meeting assembled form themselves into an association to be called the 'Mercantile Traders' Association.'

"(2) That we call upon the mercantile traders throughout Ireland to form branches of this association in all the principal towns.

“(3) That we invite the co-operation of all traders in towns and country districts to support us, and that every trader in this association do withdraw orders and close accounts with any manufacturer or producer who tenders in future or supplies, directly or indirectly, co-operative societies.”

The immediate answer was the formation of another society near Thurles in the course of the following week. At the same time the Irish Co-operative Agency Society took up the work of acting as a wholesale agency for the societies, and some of the manure manufacturers proved quite ready to tender for contracts, in spite of pious resolutions. The result was that in 1896 the Manure Manufacturers' Association, unable to hold its members together, collapsed entirely, and prices were reduced fully 25 per cent., not only to co-operative societies, but to all the farmers in the country.

In 1897 the disastrous attempt to sell barley, combined with inadequate organization of the agricultural supply business, brought serious losses to the I.C.A.S., and it was decided to give over the agricultural business to a new federation known as the Irish Co-operative Agricultural Agency. After a year's work as a mere agency on a cash basis, this body developed in 1898 into the Irish Agricultural Wholesale Society, Ltd., and became a true co-operative trade federation.

Its constitution is similar to that of local societies organized under the Industrial and Provident Societies Act, but it has the exceptional feature of issuing preference shares. These shares are of the value of £5 each, and are issued to individuals only; no person is allowed to take less than ten, and they must be fully paid up on allotment. The ordinary shares are tenable only by registered co-operative societies, which must take one share for each member. The value of the shares is £1, of which 1s. is payable on allotment, and the remainder can only be called if the

society goes into liquidation. Shares are transferable only, and bear the usual 5 per cent. maximum interest.

The directors are elected in part by the affiliated societies, and in part by the preference shareholders, on a democratic basis. Each society has one vote for every 100 members, and six out of the ten directors must be representatives of the ordinary shareholders, and nominated by them. The preference shareholders nominate four of their own number to fill the other four places. The chairman is elected by the directors, but must be a representative of the ordinary shareholders. In order further to guard the rights of the ordinary shareholders, it is provided that "the votes of both preference and ordinary shareholders shall be recorded collectively in the election of the four directors representing preference shareholders," while "the election of the six directors representing ordinary shareholders shall be decided by the votes of the ordinary shareholders alone." There is obviously no danger that individuals will invade the society in such a way as to obtain harmful control of it—in fact, the restriction of allotment to those who are willing to take up ten fully paid shares, together with the limitation of voting privileges, ensures that only persons who genuinely wish to help the movement by investing capital in it are likely to seek admission.

The history of the I.A.W.S. has been one of continuous progress, in the face of very severe difficulties imposed upon it almost as much from within the movement itself as from outside. Its objects are those common to all co-operative trade federations—to supply the affiliated societies with goods of guaranteed quality for re-sale to their members at as low rates as possible, and also to market the produce of agricultural societies. At the very beginning of its career the Wholesale found itself face to face with powerful and extremely hostile rings of manufacturers, particularly in the fertilizer and machinery trades, so that certain supplies had to be imported even from America. By persistent effort these rings were broken, and the I.A.W.S. is now able to

make the proud boast that it has been successful in ensuring to the farmer a reduction of no less than 50 per cent. in the price of guaranteed manures. Something like a revolution has been caused in the seed trade of the country by the same agency. Before the advent of this society, seeds were universally sold without any guarantee either of purity or of germinating quality, and as a consequence the farmer was continually subjected to severe disappointments. The I.A.W.S. made arrangements with a seed-testing station in Switzerland, which enabled it to have all seeds sold tested and certified, and thus compelled other merchants to adopt the same practice.

The main trade of the society is in these directions of fertilizers, seeds and machinery, as is natural in what is primarily a federation of agricultural societies. It has, however, assumed a position which gives it a far greater interest for those who look at it from the standpoint of general co-operative organization. It has become the only apparent link between the two classes of co-operative societies; those whose members are producers, co-operating to get good prices for their produce, and those which combine consumers for the purpose of effecting a saving in purchase. The reconciliation of these two apparently conflicting interests has always been one of the difficulties of the co-operative movement. It has been especially difficult in Ireland, owing to the restrictions put upon the I.A.O.S. by the Development Commissioners, which prevent that body from organizing anything except the producing classes. These restrictions, however, do not apply to the I.A.W.S., which is purely a trading body, and receives no subsidy from the Government.

So long as the I.A.O.S. is debarred from acting as an advisory body both for producers and consumers, their interests will continue to be divergent, with the harmful effects already seen in England, unless some material bond can be found. This bond can only be provided by the existence of a joint wholesale society, owned by co-operative societies of both kinds, buying from one

and selling to the other. If properly handled, such a body would go far to remove friction and to benefit both parties, and successful results in this direction have been accomplished both in Denmark and in Hungary. In Ireland, as we have seen, the wholesale agency arose in the first place as a federation of agricultural societies, and this fact is reflected in its name. It was not long, however, before these societies began to be attracted or compelled to take up a general store policy in certain districts, and they naturally looked to the federation to supply their requirements. Thus a grocery and a hardware department came to be added to the activities of the I.A.W.S. Meanwhile, a certain number of distributive societies after the English model had been organized, particularly in the industrial centres of Ulster. These societies would naturally depend to a great extent on the Co-operative Wholesale Societies of Manchester and Glasgow, but they were not sufficiently numerous to lead to a branch of either of these federations being established in Ireland. The Irish movement owes it to the foresight of the directors of the I.A.W.S., and more particularly to Mr. Barbour, the present chairman, that steps were quickly taken to attract these societies into the federation. If this object is fully achieved, Ireland will be able to claim that she has advanced further towards solving the problem of conflict within the movement than almost any other country. Some of the difficulties in the way of such a conclusion will be discussed in another chapter.

One of them merits brief consideration here. There is always a great temptation for agricultural societies to sell direct to the highest bidder, and if they are favorably situated to the market they will regard any federation as being an unnecessary middleman. Thus, an agricultural society near Belfast with potatoes to sell would be more likely to sell them to the Belfast society of consumers than to the I.A.W.S., which must take some profit out of the transaction. This particularly applies to the creameries, which, as we pointed out, are accustomed to sell their butter

without reference to any other body, and in many cases choose their managers mainly on account of their capacities as salesmen. The I.A.W.S. has tried the experiment of acting as a commission agent for these creameries, just as the Agency did. Theoretically, this was the proper course for it to pursue, but in practice it has been found that it led to the usual dumping of bad butter, or to the custom only of creameries whose managers were not sufficiently trained as salesmen. This was bad for the I.A.W.S., and was further aggravated by the fact that the more successful creamery managers are hostile to this department, because they believe that it spoils their market and bolsters up inefficient creameries.

The recent demand of the troops in Ireland for large quantities of supplies has, however, given the federation an opportunity of disposing of a considerable amount of agricultural produce on behalf of the societies, and also of individual members thereof, and the directors have been quick to make use of the occasion. The military authorities find this a cheap and efficient source of supply, and the farmers and the societies also have profited, so this may be claimed as a good example of the services which a co-operative federation is able to render both to its members and to the nation. It may be hoped that the precedent will make the federated societies and also the authorities appreciate more fully the advantages of such a body as the I.A.W.S.

The main difficulty by which this federation, like most others of the same kind, has been beset, is the lack of sufficient capital to carry on the business effectively. The trade turnover has increased with remarkable rapidity, but the paid-up capital, always inadequate, has not by any means kept pace with this increase, nor has it been found possible to induce the societies to do business on anything like a cash basis.

In 1915, with a turnover of £375,000, the I.A.W.S. was only able to show a paid-up share capital of £12,000, of which £7000 was derived from preference shares, and only £5000 from the

societies. The remainder of the capital was derived from a guarantee given by individual well-wishers, and from the accumulated reserve fund of £5000, in addition to the £25,000 or so held as deposits in the banking department, which is able to offer attractive terms to societies and individuals. Even by calling upon all these resources, the society is always in a difficulty for sufficient liquid capital to handle its business on the most economical lines, and there is obviously little or no room for fresh developments. When it is further realized that the outstanding debts run as high as £35,000, a large part of which represents accounts several months in arrears, it may be seen that the federated societies are making a very heavy demand on the wholesale body, and hardly treating it in a true co-operative spirit.

As we have said, the societies which are ordinary shareholders in the federation are only obliged to pay up 1s. per share on allotment, and the remainder cannot be called unless the I.A.W.S. goes into liquidation. Taken in conjunction with the fact that the shares are transferable only, this rule makes societies regard the payments which they make on their shares simply as a subscription to the Wholesale, enabling them to trade with it. They frequently neglect to increase their payments voluntarily year by year, as they know that they cannot be compelled to do so, and they regard the money so locked up as being practically lost to them. The position would not bear so hardly on the I.A.W.S. if these societies could be induced to pay their accounts quickly; but, as we have pointed out, the members expect long credit from their societies, and the burden is, of course, transferred to the federation, thus greatly aggravating the shortage of capital. Meanwhile, the societies, to a large extent, continue to look upon their own federation as if it were an outside trading body, and frequently do a considerable amount of their trade elsewhere, sometimes even using the I.A.W.S. quotations as a lever, while they are quick to protest at any mistake which may be made.

If we dwell rather on the gloomy side of the picture, it is

chiefly in order to throw into sharper relief the splendid work which the Wholesale Society has accomplished in the face of all its difficulties. Its trade is constantly expanding, and new departments being undertaken, and even societies which grumble most must realize, if they face the facts, that they would have been very badly off without the efforts of the federation. These difficulties can and will be met by a sustained educational campaign in which the societies must be shown their duties to the Wholesale, and the advantages they derive from it. A great step in this direction has already been taken by the directors in arranging for monthly meetings of managers and secretaries of co-operative societies on the central premises, when they are able to see and hear about all the developments and difficulties of the work.*

* See App. IV. for statistics illustrating the development of the I.A.W.S.

CHAPTER IX

THE CREDIT SOCIETIES

IN the previous chapter some account was given of the activities of the "gombeen-man" in rural Ireland, and the impetus thus afforded to the formation of agricultural societies. Plainly, it was not sufficient—at any rate in the more backward districts—to set up such societies. One of the chief reasons which drove the people into the hands of the "gombeen-man" was that he alone provided them with a source of credit, either by actually lending them money, or more frequently by charging the goods against them for an indefinite period. The agricultural society would afford little relief for such a state of things, and a large number of the people it was intended to benefit would have to continue dealing with the local "gombeen-man" on account of their past indebtedness to him and the necessity of borrowing further in the future.

The joint-stock banks had branches at infrequent intervals throughout the country, usually in the market towns, and open perhaps only one or two days in the week. The borrower had to take with him two sureties if he wished to get money from this source, and the expense involved, as well as the necessity of discussing his affairs with the bank manager, made the undertaking practically impossible. Nor is it likely that the banks on their side would show any eagerness to attract such business; the amounts involved would, as a rule, be too small even to repay the book-keeping of the transaction, much less the tedious and very difficult task of making researches into the credit-worthiness of each borrower. Moreover, it is no reflection on the banks to

say that their best friends were in most cases the traders and publicans of the towns and the large depositing farmers. The former class would, as a rule, be hostile, and the latter more or less indifferent to the needs of the poorer people, and where competition between one bank and another was keen, and the town hardly sufficed to support more than one, almost any bank manager would be bound to be swayed by such considerations. It must also be remembered that the present extension of the banking system throughout the country is comparatively recent. In 1890 there were only 569 branches in Ireland, as against 819 in 1910. Even now we find that: "There are in all Ireland only 242 centres where a permanent branch bank is established. There is, therefore, only one such centre to every 18,000 persons. If the sub-branches, which are open only on certain days, be also included, there is one such banking centre for every 9000 persons."* And again: "We have had brought before us instances where persons, in order to reach the nearest branch bank, would have to travel forty miles. This is doubtless an extreme case, but it is not at all unusual for farmers to have to make a journey of ten or fifteen miles to the nearest bank."

Other methods of obtaining loans were by resorting to money-lenders, to "trust auctions," and to the Loan Fund Board Societies. All of these are dealt with at length in the Report already quoted, but the facts about them may be summarized here.

The money-lender is distinguished from the "gombeen-man" by the fact that he does not combine shopkeeping, or any similar occupation, with the practice of usury. His advertisements fill the columns of the newspapers and astonish the reader by their dazzling visions of philanthropy and their careless indifference as to the amount of money to be lent, or the rate of interest to be charged. His great power of attraction lies in the fact of the secrecy offered. The rural population of Ireland have a very

* "Report of Departmental Committee on Agricultural Credit in Ireland, 1914," C.D. 7375, p. 19.

strong objection to allowing their neighbors to know that they are borrowing money, and this can be avoided best by dealing with the money-lender. The type is a familiar one in all countries, but the conditions of Irish life are particularly favorable to its growth and, while the "gombeen-man" is gradually disappearing, the money-lenders tend to multiply.

The "trust auction" system, which prevails mainly in the northern counties (having apparently first appeared in Co. Donegal in 1898), represents one of the most ingenious and also most ruinous methods of obtaining cash ever practised. The worst type, in which the sale is entirely fictitious, is thus described:

"A farmer in need of, say, £10 ready cash, with little prospect of obtaining the same from a bank or a friendly neighbor, brings in one of his cows to the auction. The animal is put up for sale, and is bought by a friend (often by a son or brother) of the seller. In many cases friends of the latter, by their bidding, run the price up to a much higher figure than the animal is worth. A bill at three, four, or six months, signed by one or two sureties, is given by the purchaser to the auctioneer, who usually discounts it in a joint-stock bank, and pays cash, less the discount, to the seller, charging the usual 5 per cent. auction fees. The seller of the cow then brings home the money, the obtaining of which was his sole object in going to the auction, while the nominal purchaser drives the cow back to the field or byre from which she came. The proceeds of the transaction are, in some cases, divided between the parties. One witness told us of a case where a farmer raised £10 on a cow by thus selling her to his son at an auction. Next day the same cow was sold by the son and bought by the father, so that £20 was raised on the one animal in two days. But other animals have, we are informed, superseded this record by bringing in £70 or £80 to the owner in a short space of time, through peregrinations from one auction to another."

The results of such a system, both to the farmer and the auctioneer, must necessarily be disastrous in the long run. The above is a somewhat exaggerated form of trust auction; in the majority of cases the animal really changes hands, but it is sold by the purchaser at the next fair for a sum considerably less than he gave for it. He gives his note for the purchase, and it is discounted by the auctioneer, while the purchaser gets his cash out of the sale, paying 5 per cent. to the auctioneer, losing about 10 per cent. on the price, and probably having to renew the bill subsequently. One of the many undesirable features about this method is that the man in need of money is determined to buy at all costs, so that the auctions afford an opportunity to cattle dealers to dispose of inferior beasts at inflated prices. The practice also makes it possible for the less reputable firms of auctioneers to carry on every form of usury and extortion under the guise of their profession. Evidence was given that even honest and industrious farmers were frequently to be found at these auctions, and the system is occasionally extended to land and crops as well as cattle, with almost equally injurious results.

The Loan Fund Board system, the only remaining source of rural credit besides the co-operative credit societies, represents the moribund survival of some very early charitable efforts. Dean Swift seems to have inaugurated it by handing over £500 to be loaned by trustees to Dublin artisans. Various benevolent persons, and notably the Musical Society of Ireland, followed this example, and the societies thus formed were partially protected by the Irish Parliament. At the beginning of the nineteenth century the moneys available were increased by the establishment of associations in London to improve the condition of the Irish peasantry, known as the "Irish Reproductive Loan Funds." Laxity and dishonesty soon crept in, and with the dissolution of the Musical Society, Parliament found it necessary to interfere. A series of Acts resulted in the establishment in 1836 of an Irish

Loan Fund Board to supervise the system, the members being appointed by the Lord-Lieutenant.

No loans of over £10 were permitted, and interest at the rate of 12 per cent. was legalized. A further Act was necessary in 1843, in which the rate was lowered, but no effective check seems to have been found on irregularities and abuses. Since that time the system has been the subject of various commissions and inquiries, the universal testimony being that the central board, owing to its lack of continuity and effective powers, was quite unable to control the system, and that the local societies were badly and often dishonestly managed. The income of the Board, which was mainly derived from the sale of forms and documents, diminished rapidly, and investments had to be sacrificed, while the spread of branch banks did away with the usefulness of many of the societies.

The history of the system since the inquiry of 1896 has been very fully set forth in the Report alluded to, and need not be reproduced here. The conclusions reached are that in practically every respect the societies are unsatisfactory, particularly because of a widespread delusion to the effect that Government stands behind them. There is in fact "a total lack of security for debenture-holders and depositors save in so far as this is supplied by the good management of a society, by any accumulated reserve, and by any guarantee furnished by the treasurer and clerk. . . . The imagined Government security was a main influence in attracting depositors in former years, until disillusionment came." This in itself is sufficient condemnation of a system which in any case was never intended to be spread throughout the rural districts, but simply to afford temporary relief to workers in the great industrial centres. The final recommendation of the Departmental Committee on the subject of these societies is as follows:

"Seeing that in every respect co-operative credit societies are

more suitable agencies of rural credit than Loan Fund societies . . . legislation should . . . provide for the utilization of the funds of the latter in the establishment of credit societies in the same district or county. Debenture-holders should, as far as possible, be paid off."

Such were the available sources of credit for small farmers in the early days of the co-operative movement. It is not surprising that the pioneers soon began to look for a remedy. A model was found in the systems of popular credit which had already been established in Germany with striking success. Nothing was actually done until after the establishment of the I.A.O.S. in 1894. By this time a good number of creameries and agricultural societies were already in existence, and the need for credit facilities could be easily seen. The committee therefore decided to call in expert assistance, and was fortunate enough to obtain that of Mr. H. W. Wolff, then (and still) acknowledged as the leading authority on the subject. He visited Dublin in 1894 and gave a full explanation of the various systems of co-operative credit practised on the Continent. Later in the same year a visit was paid by Mr. R. A. Yerburch, M.P., and Mr. Thomas Farrow, president and secretary respectively of the English Agricultural Banks Association, and the former delivered a lecture on the subject before the Royal Dublin Society. As a result of these visits it was decided to make an experiment at Doneraile, Co. Cork, and after considerable delays, caused by difficulties in drafting rules, a co-operative credit society started operations there early in the year 1895.

This society was modeled upon the German Raiffeisen system. That system is the basis of rural organization in Germany, and the type has remained more or less fixed. The members undertake an unlimited liability, jointly and severally, for the obligations of the society; there is no share capital, and only a small entrance fee. The essential features are that membership shall

be limited to so small an area that it is possible for the committee to judge the character of the applicants, and that the granting of loans shall be largely conditioned by this judgment. Loans are made only for reproductive purposes, such as the holding over of stock, the purchase of breeding animals, etc., and not for anything of a wasteful nature. The sums lent are very small as a rule, ranging from £1 to £50, and the period of the loan is from three months to a year, only exceeding this time in very exceptional cases. The rate of interest charged varies between 5 per cent. and 7 per cent. There is a tendency to try to keep it down to the lowest figure, which too often brings a loss on the year's working. The I.A.O.S. recommends $6\frac{1}{4}$ per cent., or $1\frac{1}{4}$ d. on a pound per month, assuming that the capital is obtained at 4 per cent.

The sources of capital are three in all, namely, members' deposits, loans from Government Departments, and other loans, mainly bank overdrafts. The ideal method of capitalizing the societies is, of course, by means of members' deposits, thus ensuring that the savings of the district should be reinvested in that district. The Raiffeisen banks in Germany are called thrift and credit banks (*Spar-und Darlehenskassen*), and the emphasis is distinctly on the thrift. In fact, these societies attract almost more deposits than they can safely use, and during the war they have been able to make very large contributions to the war loans. In Ireland, thrift has been omitted, not only from the name, but in too many cases from the practice of these societies. It is true that the total amount of deposits has increased from year to year, but this increase has been almost entirely achieved by a few successful societies. The Irish agriculturist is abnormally cautious as to the security behind any institution with which he leaves money, and he only recognizes two chief forms of security, namely, Government backing, or the presence of a president or secretary in whom he has complete confidence. Societies which are fortunate enough to possess such an official are able to com-

mand a considerable amount of local deposits, the others suffer by comparison with the Post Office Savings Banks, with their Government guarantee, and with the joint-stock banks which, like the Loan Fund Board societies, are often vaguely supposed to have the Government behind them. There need not necessarily be any reason for supposing that the secretaries of the societies which do not get deposits are in any way less responsible than those of the successful ones. They simply lack the valuable capacity for inspiring the same confidence in the people. The figures for 1911 show that out of a total capital of £55,000 the deposits totaled £27,290. This amount was divided among ninety-eight societies, and of these fourteen held between them no less than £14,154, one having over £2000. For purposes of comparison, it may be remarked that in 1910 deposits in German rural credit societies averaged £6375 per society, and £64 per member. We shall return to this point in further detail; meanwhile, we may consider the other sources from which the banks get their capital.

In the early days of the movement it was generally held that co-operative credit societies, as distinct from those engaged in any form of trade, might reasonably receive a certain amount of direct aid from the State. This principle was recognized before the foundation of the Department of Agriculture by the Congested Districts Board, which saw in these societies a very proper method of alleviating distress in the districts under its charge. The Board was aware of the necessarily unremunerative nature of the work done in these backward parts of the country, and of the difficulties of obtaining capital. Accordingly it contributed to the expenses of organization, and in 1898 agreed to furnish loans not exceeding £100 each at the low rate of 3 per cent. to form the nucleus of capital for societies within its jurisdiction. This example was found worthy of imitation by the Department of Agriculture in the first year of its work, and in 1901 the loans outstanding from it were £1350, divided among eighteen societies. In the same year, the Congested Districts Board had lent £2980

to thirty-six societies. The Department's report for 1904-05 contains the following passage:

"The Department advance loans varying in amount from £25 to £100 to approved banks, on which interest is charged at the rate of 3 per cent. per annum. The advances are made under a bond given by the bank for the due payment of the loan, and this bond forms a continuing security until the loan is paid off. Loans are granted for eighteen months, and may be called in at the expiration of that period; but as the security holds good until the principal is fully repaid, it has not been deemed advisable to call in loans until they are no longer required, and sufficient deposits for the working of the bank have been subscribed locally. When a loan is repaid by a bank the amount is issued to another approved applicant so that the loan capital is kept in circulation.

"For the work of organizing agricultural banks, the Department make use of the services of the bank organizers employed by the Irish Agricultural Organization Society, and the receipt in each case of a certificate from these officers, endorsed by the secretary of the society, to the effect that a satisfactory committee has been appointed, and that the bank has been properly organized and shows promise of being worked with success, is a condition precedent to the granting of a loan."

The maximum of these loans was reached in 1907 when the Department had £12,913 and the Board £5872 outstanding. The number of societies benefiting was 181, or 96 per cent. of all which furnished returns. The total capital of all the societies was £48,700, so that the proportion of State loans to other capital was considerably less than one-half, whereas in 1905 it had been as high as four-sevenths.

The I.A.O.S. fully recognized that it was undesirable to increase the amount of these loans. A number of societies existed merely for the purpose of administering the distribution of a certain amount of Government money which they regarded more

as a windfall from a mysterious providence than as a loan given to encourage self-help and repayable within a comparatively short time. The following passage from the Departmental Committee's Report gives a fair picture of the attitude adopted:

"[There is] a widespread feeling that the loan is in reality a permanent gift, owing to its being made from the State's assumed limitless resources. In some circumstances the borrowing societies seem to have considered that they had a right to the use of the capital of the loan so long as they paid the interest regularly; and to have felt rather aggrieved that a Government Department should expect to receive its money back again from the borrower. One suggestive phrase used in this connection was the charge made against the Department of 'evicting' a society out of its loan!"

It was evidently desirable that the State should cease to support societies which had no intention of doing anything for themselves and were leading a purely parasitic existence; while in the case of the progressive societies the point should quickly be reached where they could depend on their own capital. The fact, therefore, that from 1908 onward the policy of loans was discontinued, and the Department set about to reduce the amounts outstanding, calls for no criticism, nor in fact did the I.A.O.S. take exception to these proceedings. What is unfortunate is that the Department was unable to carry out this change without creating friction and controversy, with which we shall deal later. The amount of the loans was reduced by 1913 to £6500 from the Department and £5000 from the Congested Districts Board, which had pursued a more negative policy. With the outbreak of the war both these bodies, faced by the need for strict economy, decided to withdraw all their loans as far as possible. The time was obviously inopportune, and considerable apprehension was felt by the Department that the money would

not be recoverable, and by the I.A.O.S. that many societies would collapse.*

In spite of these forebodings the process has been wonderfully successful. The whole of the sums outstanding, with the exception of a few small loans, has been already repaid. The net loss to the Department on the fifteen years' experiment was £91, or less than one year's interest. The C.D.B. has been even more fortunate, having lost practically nothing. These facts form a remarkable testimony to the honesty of the much-abused small farmer.

The third source of capital available lies in overdrafts from the joint-stock banks. At the beginning of the movement there was very naturally some hesitation on the part of these agencies to welcome societies which seemed likely to interfere with their own functions. It is to the credit of the banks that they soon realized that there was little or no competition threatened, and that the credit societies would actually help them by borrowing money in comparatively large sums and taking charge of the dangerous and tedious task of distributing it in very small loans. These considerations caused them to agree to grant overdrafts on favorable terms. A joint and several guarantee is provided by the committee, and interest is charged at 4 per cent. The advice of the I.A.O.S. is usually sought, and where it is favorable there are very few cases where societies are unable to obtain all the accommodation they require. This fact has, of course, militated against the formation of a central credit society, and has perhaps had an indirect influence in discouraging deposits, but on the whole it may be said that the movement owes a good deal to the friendly attitude of the joint-stock banks.

In organization the credit societies differ from other Irish

* The need of economy in war time has been made an excuse for many very uneconomical proceedings. It is interesting to compare the example of France, where the Government has *increased* the State loans to credit societies in order to stimulate them to renewed helpfulness in a time of crisis.

co-operative societies in that they are registered under the Friendly Societies Act instead of under that governing industrial and provident societies. They are thus confined to the particular business of taking deposits and making loans, and have no trading powers, while the liability of their members is unlimited. They are not actually friendly societies, but are "specially authorized societies" under a clause which provides for the registration of "Societies for any purpose which the Treasury may authorize as a purpose to which the provisions of the Act, or such of them as are specified in the authority, ought to be extended." Certain sections of the Act only are extended to them and they do not enjoy some exemptions allowed to other friendly societies.*

The original reason for registering under this Act lay in the fact that unlimited liability was considered necessary. The members of the first societies were in the main very poor men, and the only security they could offer which would warrant loans from any outside source was that of unlimited and collective liability. At the same time, the knowledge that there was no limit to their liability stimulated members to feel a real responsibility for the affairs of the society. Moreover, the influence of Raiffeisen's example was very great; dealing with much the same problems he had achieved marked success by means of societies with unlimited liability, so that it seemed reasonable to argue that the same pattern should be adopted in Ireland.

Undoubtedly this form of society was well adapted to deal with conditions as they were in 1894. But as time went on and the pioneer societies had almost done their work it began to be apparent that there were some serious defects in the method. In the first place, when societies began to spread into districts where comparatively well-to-do farmers might have joined them

* A remarkable instance of the methods of the law is to be seen in the fact that these societies are held liable to the income tax from which industrial and provident societies on the one hand and friendly societies on the other are exempt.

these men were frightened away by the prospect of being responsible to an unlimited extent for their neighbors. Serious doubts also arose as to whether it would be possible to liquidate one of these societies if there were reason for doing so to recover money, without a long and tedious legal process. Moreover, the impossibility of paying a secretary properly militated against the success of the societies, and they tended to become dormant. These difficulties might have been met by adding trading powers; but under the Friendly Societies Act this was impossible, and the Thrift and Credit Banks Bill promoted by Lord Shaftesbury to legalize the combination broke down under official distrust and opposition. Consequently the leaders of the I.A.O.S. have for some time been contemplating the possibility of registering credit societies under the Industrial and Provident Societies Act with limited liability and trading powers. As a preliminary step a clause has been incorporated in the rules of agricultural societies giving them power to do a banking business. Meanwhile the organization of societies of the old type has been suspended for two or three years past. This does not by any means imply that the credit societies have been a failure. In many districts they served their purpose and are no longer so urgently required, while a considerable number are still thoroughly successful. A brief sketch of their history will illustrate the point.

The first bank, as we have seen, was organized in 1895 at Doneraile. In the following year a special bank organizer was appointed in the person of Mr. D. L. Roche, who succeeded in forming societies at Kyle and Belmullet, the latter forty miles from a railway station. Nothing was done in 1897 owing to Mr. Roche's promotion to the position of manager of the I.C.A.S. At the close of this year, however, the I.A.O.S. approached the Congested Districts Board with a request for help in establishing these societies throughout the poorest parts of the West, where "extreme poverty forbade any scheme of self-help involving any large preliminary outlay of capital." The success of the society

already started at Belmullet was good evidence both of the material benefits and the educational value of this work in a backward district, and the Board readily assented to the scheme and granted £100 towards organization expenses. With this help societies were formed in six villages in Mayo and three in Galway.

In many cases it was not possible to raise the necessary capital for loans locally, and it was at this point that the practice of granting State loans for the purpose began. The Board had power to grant loans for the advancement of agriculture, and decided to make such grants to credit societies on the same terms as they had been accustomed to make in the case of fishery loans. Here, however, an unexpected difficulty arose, for it was discovered that under the Act the funds of the societies must be raised by contributions from members only, and there were no borrowing powers. Consequently it was necessary that loans should be made to individual members of committees, and by them deposited with societies in their own names. Such a system put an undue share of responsibility upon individuals while relaxing the sense of joint liability of the members, and to meet it Sir Horace Plunkett (then a Member of Parliament) introduced a short Bill which passed into law under the name of the Societies Borrowing Powers Act. Under this Act societies which declared no dividend and lent only for approved purposes were enabled to borrow from non-members, whether individuals or corporate bodies.

In their report for this year, the I.A.O.S. stated: "We attach very great importance to the introduction of the Raiffeisen system into Ireland and are inclined to put it in the forefront of our propaganda." They were influenced chiefly by the great educational value of the system, the necessity for combating the increasing power of usury, and the desirability of introducing a principle of responsibility and a better understanding of business methods into the agricultural slums of Ireland. "Only those who know the amazing economics of the small Irish farmer in the West can realize to what an extent the sharpening of his business

wits will benefit him and prepare him for further organization. This sharpening is brought about, not only by the unlimited liability, but also by the method of lending."

As a result of this attitude a rapid advance was made, and the report for 1899 records the formation of thirty-three new societies, making a total of forty-eight. "The audited accounts of the new banks are very satisfactory, and the reports furnished on their working by the organizers, together with the enthusiasm of the members, lead us to believe that though the transactions of other societies may be larger, no form of co-operation which we have advocated is so suited to the character of Irish rural life or so productive of moral and material good." And again: "No bad debts have been incurred. Punctuality in payment has been the rule, many members paying up before the loans became due."

Some typical instances are given of the benefits achieved by membership in one of these societies. We may quote one which is characteristic. A member writes: "The loan of £3 which I borrowed from the Kilcommon Bank on August 22, 1898, I applied as follows: On August 27 I purchased three young pigs for £1 15s.; on February 15 following I sold two pigs at £3 15s. I have kept one, a sow, for breeding. She is now within three weeks of young ones, and is valued at £4. The balance of the loan, £1 5s., enabled me to hold over sale of a calf which at the time would only have fetched £1 10s. This is still in my possession and is well worth £3. The feeding for pigs would have been worthless to me without them, the potatoes being small and black." This is surely testimony which might make a powerful appeal even to a prince of finance; it shows so clearly what a vast difference the possibility of obtaining the smallest loan may make to a farmer in some districts. Several other such letters are quoted.

In this year an Irish-speaking organizer was appointed, as many of these banks were formed in districts where English was little spoken. A leaflet was also printed in Gaelic. About the same time a complete revision of the rules was carried out, bringing

them into their present shape. An interesting experiment was attempted in Wexford, where the large Enniscorthy Agricultural Society registered three credit societies with limited liability under the Industrial and Provident Societies Act. These societies were intended to finance the trade of branch agricultural societies, but only one of them, that at Ballindaggin, actually began work. It is still in existence and remains the unique example of its type in Ireland, but for several years it has had only ten or twelve members, and seems, though perfectly solvent, to have outlived its usefulness.

The enthusiasm of the I.A.O.S. for credit societies resulted in a steady and perhaps over-rapid increase for the next few years. This was helped by the increased facilities for obtaining capital. The Department began to contribute loans in 1901, and the Congested Districts Board continued to do so in increasing amounts, while by 1902 the joint-stock banks, which at first had held aloof, became fully reconciled to the societies and willing to advance money to them. At the same time one or two county councils contributed toward the expenses of organization.

By 1904 the total capital of the societies amounted to over £28,000, but of this amount over half was furnished by State loans. In their report for this year the I.A.O.S. wrote: "Local money is coming to be more relied on, and whenever possible, the I.A.O.S. organizers deprecate applications to the Department if capital is otherwise procurable. . . . The Congested Districts Board and the Department still continue their aid to credit societies in districts where local capital is not at first available, and it almost always follows that confidence is established, and depositors appear after some months or a year has elapsed."

In these circumstances it was comparatively easy to organize credit societies which would give promise of being useful and effective. It was far more difficult to ensure that this promise should be realized. The ease with which capital could be obtained and the lack of funds to pay an efficient secretary tended to

slackness, while the fact that these banks had not funds to enable them to pay the cost of inspection and audit made it impossible for the I.A.O.S. to keep up a proper supervision of all of them except with the aid of State subsidies. Consequently it is not surprising that during the period from 1904 to 1908, when their number reached its maximum, defects began to appear, and that subsequently to this time when the Department cut off the subsidy of the I.A.O.S. and reduced the loans to the banks, as well as assuming a critical attitude towards them, the societies began to decrease.

The chief defects were renewals of loans, failure to attract deposits, the making of losses on the year's work, failure to furnish returns either to the Registrar or to the I.A.O.S., and general apathy or inefficiency.

Protests against the policy of renewing loans begin to appear in the reports of the I.A.O.S. in the year 1905, and since that time vigorous attempts have been made to discountenance this practice. By a renewal is meant the reissuing or extension of a loan beyond the period for which it was originally granted, without proof that the money will be applied to any new purpose or that any additional profits will follow from its repayment being withheld. In some cases actual renewal is avoided by the money being repaid formally on the due date and borrowed again almost immediately for the same purpose. This practice strikes directly at the fundamental principle by which loans are granted under the Raiffeisen system, namely, that the purposes to which they are applied should be purely reproductive. Furthermore by withdrawing capital from free circulation it diminishes the usefulness of the society and inflicts an injustice on new members or on those who have not needed loans previously. Finally, the small credit society can only succeed when it is based upon principles of punctuality and discipline. The borrower who finds he can renew a loan indefinitely is not benefited ethically, and the

authority of the committee falls into contempt, with a probable decrease in its efficiency.

The temptation to connive at renewals arises naturally wherever the people entrusted with the management of the society have an insufficient appreciation of their responsibilities or are not competent to discharge them. In small country districts it is inevitable that the tone of the committee will be mainly influenced by the attitude of the secretary. Practically all the other defects which we have noted may be traced to the same point. The failure to furnish any proper returns is obviously a sign of apathy or incompetence in the secretary, and the same cause usually leads to losses, to failure to attract deposits, and to general stagnation.

It would not be reasonable to blame individual secretaries for these failures; in the majority of cases they are doing their best, and where they are not, it is probably because they have received no support from the members or have been forced into a task for which they had no inclination. Nor should the members be criticized for inefficiency in carrying on what seems to them a complicated business, or losing interest in the society when they no longer have need of it. The two chief reasons for the backwardness of a number of the societies are the lack of possibilities of expansion and the absence of a sufficiently close supervision from some authoritative body. To a great extent the policy of the State Department must bear the primary responsibility for both these defects. They go together almost entirely.

As we have seen, the expansion of the societies was at one time extremely rapid; Government capital and subsidies to the I.A.O.S. made such expansion easy, and a number of such societies was needed to deal with the circumstances of the time. But small societies in backward districts, based on unlimited liability and relying largely on Government loans, with no trading powers, could not continue indefinitely active. A time was bound to come when either the members would have been relieved of their dis-

truss and the work of the bank done, or the secretary would require payment which the funds could not provide, or possibly an energetic official would leave the neighborhood and give place to an apathetic or unsuitable one. To meet these probabilities, provision should have been made either for liquidating a society when it seemed to have fulfilled its purpose or reached a point of stagnation, or for giving it such increased functions as would stimulate renewed interest in it. The former policy obviously involves frequent inspection and strict control by the central authority, while the latter involves a considerable structural change in the societies.

Credit societies of the Raiffeisen type throughout Europe have a more active existence than those in Ireland for one or both of two reasons. In the first place, they are the great centres of thrift for the rural population, and the funds so accumulated enable them either locally (as in Italy) or through a federation (as in Austria) to capitalize and finance the trading side of the movement. In the second place, they have trading powers and act (as in Germany) as important agencies for the collective purchase of farmers' requirements in the way of fertilizers, feeding-stuffs, and so forth.

We have seen that there are legal reasons which prevent Irish credit societies so long as they are organized with unlimited liability from enjoying trading powers, and that the attempt to remove this disability was unsuccessful largely owing to official opposition. We have also seen that there are various obstacles to the accumulation of large funds by the credit societies. Everything points to the fact that far greater supervision and control of these societies are required. The controlling authority might be expected either to reorganize them on a basis of limited liability, or to strengthen their financial methods in such a way that they could command and dispose of larger deposits. This work cannot be undertaken by the I.A.O.S. as at present constituted, for two reasons: in the first place, it would require a great increase in

the staff for which the credit societies are certainly not in a position to pay, while no other funds are available; in the second place, if the central authority is to encourage the accumulation of surplus deposits, it must be prepared to act as a clearing house for them in order to ensure that they are profitably used and at the same time it must provide some sort of a guarantee for their safety. These functions are outside the scope of the I.A.O.S. as an educational body. They are performed in Germany and Austria by central credit societies, and there is a great deal to be said for following this example in Ireland.

The chief arguments against it are the probability of antagonizing the joint-stock banks, and the dangers which have been found to beset co-operative central banks with large funds in other countries. The Departmental Committee opposed the scheme for these reasons and maintained that there was no necessity for such a central body, as it would not be able to give the credit societies more advantageous terms than they already enjoyed from the joint-stock banks. In saying this the Committee were undoubtedly considering the credit societies purely as making loans, and from this point of view they were no doubt right. But they had no conception of the possibilities of the credit societies as sources for the collection of funds to finance the whole movement, which is really the most important development to be expected from them. The Central Credit Society of the province of Lower Austria has collected deposits from affiliated societies to the extent of £2,000,000, and practically all of this is reinvested in the interests of agricultural co-operators. In Ireland the Post Office Savings Banks hold deposits to the amount of £18,000,000, and the long term deposits in the joint-stock banks amount to £65,000,000. A great proportion of this money is derived from agricultural sources, but most of it leaves the country altogether. If a central co-operative bank existed which was able to attract even 1 per cent. of this money, the lack of capital from which the movement suffers could be remedied

at once, even if the joint-stock banks were to some extent alienated.

Meanwhile a Central Co-operative Credit Society has been established under the auspices of the I.A.O.S., apparently with a view to keeping open the possibility of development in the future. This society is inadequate, however, for the reason that it is not in any sense a federation of the local societies, and therefore has no control over them. Its operations at present are almost negligible, and there is little reason to suppose that in its present form it can cope with the needs of the movement even if it succeeded in getting more closely into touch with the societies.

Frequent references have been made throughout this chapter to the Departmental Committee's Report and its effect upon the movement. It is necessary now to deal with this matter in more detail.

On his accession to the Vice-Presidency of the Department of Agriculture, Mr. T. W. Russell set himself to break the links between that body and the I.A.O.S. which his predecessor had created. The subsidy to the I.A.O.S. for organizing purposes was soon disposed of, but there remained the £13,000 or so of loans which the Department had outstanding with the credit societies. It was agreed between the I.A.O.S. and the Department that these loans should be withdrawn, but it was quite apparent that the process must be a gradual one. Meanwhile the existence of the loans gave the Department the right to inspect these societies and to claim some sort of authority over them. As friction increased, Mr. Russell seems to have felt that this connection afforded him an opportunity of attacking the co-operative movement at its weakest point. The credit societies were admittedly a weak point, for the withdrawal of the Government subsidy had made it difficult to continue the unremunerative work of inspecting them.

In 1910, at a meeting of the Congested Districts Board, Mr.

Russell announced that the system was "rotten and indefensible" and that the societies, if wound up, would not realize 2s. 6d. in the pound. Sir Horace Plunkett, who was present at the meeting, naturally felt that a serious attack was made upon him as the person chiefly responsible both for the foundation of these societies and for the State loans to them. In a correspondence which was subsequently published both in the public Press and the I.A.O.S. Report, he sought unsuccessfully to obtain some justification or explanation of the statement. The correspondence is worth reading as an authentic example of the contemptuous flippancy with which highly placed Government officials occasionally treat their responsibilities. In 1910 the Department sent out one of their officers to inspect the credit societies to which they had granted loans. He reported that twenty-two of them were satisfactory, thirty-six fair, and forty-five unsatisfactory. There is no means of knowing by what methods this classification was arrived at, and the vague terms used are not rendered much more definite by the explanations given in the Report, which tells us that "satisfactory" means that the bank was well managed, "unsatisfactory" that it was badly managed, while "fair" includes everything between these two.

For two years Mr. Russell continued to bemoan the difficulties of recovering the loans and to make dark announcements as to the amount of bad debts incurred and the necessity of frequent legal proceedings. In recovering these debts he was supposed to act, as would be only reasonable, on the advice of the I.A.O.S., but he steadily refused to take that body into his confidence, and it is still in the dark as to the identity of many of the societies which caused him so much difficulty.

In January, 1912, Mr. Russell decided that a formal inquiry might be held into the position of the credit societies which he had already so unsparingly condemned. The Departmental Committee on Agricultural Credit was accordingly appointed. It included one representative from the I.A.O.S., namely, the

Reverend T. A. Finlay, two officers of the Department, and several gentlemen whose eminence was due to quite other causes than their knowledge of the principles of either co-operation or agricultural credit. Its report was finally published in 1914 after a period of two years, during which the credit movement remained in abeyance. Its findings contained a most excellent and painstaking summary of the general history of the movement with many useful facts and figures, and, from this point of view, it deserves to take rank as a standard work of reference. It also showed clearly that the work of the credit societies as organized by the I.A.O.S. had been of great benefit to the country, and that the defects which existed were as freely admitted by the I.A.O.S. as by its critics. A sympathetic student of the subject reading the main body of this report would conclude that with harmony between the State and the voluntary body, and the devotion of a reasonable subsidy to the organization of these societies a great future lay before them. The Committee, however, drew no such conclusions. Ignoring the evidence of such experts as Messrs. Wolff and Cahill, to say nothing of the officials of the I.A.O.S., they decided that the I.A.O.S. had failed in its duties, and that the credit societies could only be restored to life by Government control. They therefore proposed to set up a branch of the Department of Agriculture to organize credit societies in competition with the I.A.O.S., and threw out as a bribe free audit at the expense of the Treasury. What was thought of these proposals by those who had heard the Vice-President's frenzied protests against overlapping wherever the I.A.O.S. showed signs of encouraging farmers to farm, or his indignation at the idea of any State assistance to the co-operative movement, remains untold. Nor have the Lords of the Treasury expressed their opinion of this ingenuous attempt to make them support two rival forms of co-operative credit in the same country. But the Minority Report, signed by Father Finlay, expresses the views of the

experts of all countries on the matter and has obtained wider recognition than the suggestions of the Majority.

It is a question whether Mr. Russell really intended to put the scheme into operation. If he did he was delayed, probably by unforeseen technical difficulties, until the outbreak of war, since when it has been the consistent policy of most officials connected with agriculture to act only under the pressure of enforced economy or of enraged public opinion. Thus a deadlock exists for the present and the credit societies have become the neglected orphans of the movement. A certain number of them are still extremely prosperous, and the majority of them have served a useful purpose, so that the I.A.O.S. has no need to feel any remorse on this head. But with the withdrawal of Government loans and the gradual creeping in of defects due to unbusinesslike habits and insufficient supervision, many of them are in such a position that they must either be reorganized or liquidated if they are not to become dead branches on an otherwise healthy tree. The I.A.O.S. fully admits this, but its leaders feel that when the threat of State interference is still held over them, it would be unwise to spend on these societies time and money which are urgently needed in other directions. The whole staff of the I.A.O.S. is fully occupied, and the financial position forbids any additions to it. In these circumstances, so long as the I.A.O.S. stands prepared to audit the accounts of the credit societies, to send inspectors to them in cases of urgent necessity, to carry out the liquidation of the most hopeless, and to safeguard as far as possible the interests of depositors and creditors where they exist, it must be held to be doing all that can be expected of it. No new credit societies on the Raiffeisen basis have been organized for the last four years, and beyond inserting a clause providing for banking operations in the rules of the agricultural societies, no steps have been taken towards the creation of a new type, although the matter has often been discussed by the Committee and the organizers.

If, when normal conditions are restored, the recommendations of the Departmental Committee can be conveniently forgotten and the facts made the basis of reconstruction by a committee of people who both understand and sympathize with the movement, the credit societies may yet become the keystone of Irish co-operation. But even if this is not done, and many of them have to be allowed to pass away, the testimony of thousands of small farmers, reciting such plain facts as we have quoted on a previous page, will suffice to show that the efforts spent in creating these societies and maintaining them during the times of economic stress were by no means spent in vain.

CHAPTER X

MISCELLANEOUS SOCIETIES

THE three types of co-operative societies which we have considered in detail in the previous chapters—the creameries, the agricultural societies, and the credit banks—comprise the major portion of the Irish co-operative movement. In the remaining group is to be found a very considerable variety of enterprises, but in none of them is there any important modification or novel application of the co-operative principle. Some of these miscellaneous societies may become of great importance in the later development of the co-operative movement, while others, concerned with subsidiary occupations, must remain in a secondary position. All of them, however, are associations for the general purposes of manufacture or purchase and sale which we have already considered. Thus while this chapter will indicate the facility with which the co-operative system is applied over a wide field, and will lead us to conclude, perhaps, that no new enterprise is likely to engage the attention of the farming community in which the local organization afforded by the societies is not of the greatest value and importance, it will reveal little in the practice of co-operative organization which is not already clear. The success of the various societies here considered, including those of a more experimental nature, will serve as additional evidence of the value of this principle, which has already been so completely justified.

On practically every farm, be it the large holding of a thousand acres or the corner of one which the agricultural laborer has been able to secure, is to be found a stock of poultry. No

form of farm production is capable of wider expansion; no form is so often neglected. The position of Ireland in close proximity to the English markets would seem to have offered a particular advantage and incentive to this industry. Nevertheless it had never assumed its proper position in the industrial life of the country. The reputation of Irish eggs in England was no more savory than that of Irish butter. Time and again the Glasgow and Liverpool merchants were forced to announce that they found it impossible to deal in Irish eggs as supplied to them. Likewise Irish poultry, which was later taken to England and fattened as Surrey fowl, was in such poor condition that it brought very low prices. The yearly loss to Irish farmers, distributed among all classes of the population, and most serious for the poorest, reached into thousands of pounds.

Complete ignorance of the technical details of the industry, and a lack of proper arrangements for marketing, the two ubiquitous evils of Irish agriculture, largely accounted for this situation. The women, into whose hands this part of the farming operations naturally fell, were even less in touch with modern developments than the men. The hens roamed at large over the estate or picked up their living along the "long pasture." Winter egg production was as unusual as winter dairying. An expert would have found great difficulty in identifying the constituent breeds of the ordinary Irish fowl; its chief characteristic was a ripe and unprofitable old age. The marketing arrangements were crude and inefficient. Eggs were collected from the fields and hedges as the necessities of the moment, the visits of the egg collector, and the energies of the owner directed. No attempt was made to keep them clean or sizeable, no attempt to ensure a really fresh product. The egg collector was among the most virulent of the middleman class. He traveled about the country with his miscellaneous stock of household necessities and un-necessaries, and for these received in payment the collected eggs of the period intervening between his visits. His profit was thus

doubled. If there were no egg collector, the shopkeeper at the crossroads played his rôle with equal distinction. Eventually the eggs found their way to the markets; dirty, ungraded, and badly packed. This last fact accounted, partially at least, for the large percentage of breakages *en route* of which Irish shippers were ever complaining. Both producers and middlemen paid little attention to the freshness of the eggs. In times of a rising market they were held outrageously by both parties. As long as this system of organization and technique continued, the Irish egg and poultry trade was destined to maintain its insignificant and backward position.

The situation was one in which the application of the co-operative principle seemed likely to prove particularly advantageous. Through common effort the twofold problem of technique and marketing might be solved. Thus in the early years of the movement the addition of eggs and poultry to the business of the existing creamery societies was recommended, and in 1897 the formation of independent societies for this purpose proposed. Later a poultry expert was added to the staff of the I.A.O.S., and a Dane, M. Viggo Schwarz, was brought over to introduce the methods of grading and packing which had established the Danish egg at the head of the English market. The societies collect, grade, pack and market the eggs for their members, and in many cases have engaged in the dressing of poultry. They perform these services so far as possible along the most modern and scientific lines. The eggs are collected regularly by the vans of the society, are then graded according to size or weight, and in some cases paid for on that basis. Dirty eggs are discountenanced and often refused altogether. The packing is in dry wood wool and in non-returnable crates of standard pattern. They are marketed either direct to the retailer or through the I.A.W.S. Where societies have embarked on the dressing of poultry, the proper methods for high-class trade are followed. Attempts to add the business of poultry fattening, saving for Ireland and

Irish farmers the large profits usually surrendered to England, have met with a certain measure of success in a few societies.

Co-operative organization seemed, therefore, to form a comprehensive and useful agency for the establishment of the egg and poultry business on a proper basis. Though the I.A.O.S. has never been in a position to devote the attention to this industry which it has deserved, its efforts have not been without fruit. In 1915 there were eleven active societies, with a membership of 4000, and a turnover for the year of £85,000.* Reserves had been accumulated totaling £6669, and the net profits were £1806 as against a loss in a single society of £20. These statistics indicate that existing societies have succeeded to a considerable degree and are doing a large and useful business.

Though in the beginning it was proposed to establish small societies on a parish basis, success has more often come with a large unit, covering a considerable area and embracing a large membership. This type of society provides a turnover which makes possible the employment of an expert manager. The North Kilkenny Society at Ballyragget, for instance, has a membership of 390, and draws its eggs and poultry from a wide district. It has been able through the skill of its manager to take up the business of table poultry and fattening on a large scale. But even with this advantage the large society has drawbacks. The members are not bound together with the same community loyalties, and there may be friction between the various localities. Moreover, even with addition of poultry the large egg society is not immune from the danger of starvation—the lack, that is, of sufficient produce to keep the society on a paying basis. For these reasons, co-operative egg and poultry societies of this description, though they have proved quite successful, do not seem likely to become numerous.

There are two alternative schemes for the co-operative organ-

* These figures actually represent only seven of the societies, no returns except as to number of members being available from the others.

ization of this industry which obviate some of the difficulties mentioned. The small parochial society may be rehabilitated in a different form. As the more frequent concern of the womenfolk, this problem has been turned over to the United Irishwomen. Their modest efforts have met with some success and seem to indicate considerable possibilities. Once or twice a week the members take in their eggs to a central point where under the direction of a member they are packed for shipment. The running expenses are small, therefore, and the product suitable for a very high class of trade. These egg circles suffer from their necessarily limited size, but for the particular demands of a certain class of trade they may prove most useful. Much depends on the executive ability of the members, which may be stimulated by careful guidance. But an even more promising solution of the problem is to be found by returning to the original plan of making the egg and poultry business one feature of a more general society.

The manager of a creamery has all the necessary facilities at hand to deal with this additional business. It can usually be undertaken without any increase in standing plant or the number of workers. No system of collectors is necessary, since the milk suppliers call regularly at the creamery. A market is usually at hand in the business connections already established. This exceedingly economical and satisfactory way of dealing with the problem has already been successful in many of the creameries and general societies throughout Ireland. It is chiefly in this direction that future developments are to be expected.

The organization of the egg and poultry business involves many other difficulties, however, in addition to those of particular co-operative procedure. The fact that this industry is largely in the hands of the women has endowed it with particular problems of its own. They have considered it their perquisite and resented the introduction of the societies, whose members are usually men, thus putting an end to a source of "pin" money.

Thus far experience would indicate that Irishwomen are far less co-operative than Irishmen. The sex, largely on account of the nature of its life hitherto, has generally shown a lack of associative qualities. Trade-unionism makes slow progress among them, for the same reasons which make them poor co-operators. The allurements of the glittering pan of the pedlar or of the half-penny more per dozen he willingly offers for a time in order to put an end to the co-operative society is often too much. The bargain is made with the result that the society starves and disappears. A binding rule such as exists in the creameries would, if it were practicable, meet this danger. The necessity of a co-operative spirit among the members is nowhere better illustrated. A further difficulty exists in the continued lack of technical knowledge which has here, as in other directions, hampered the development of co-operation. Not only are properly qualified managers uncommon, but also the members have been slow to grasp the importance of more careful production. Advances have no doubt been made. The eggs are cleaner and are packed better; the breed of poultry has been improved. Some societies succeed in getting as good prices as do their Danish competitors. It is reported that an English buyer on one occasion telegraphed to his supplier, the Mallow society, "Asked for Irish eggs. Why did you send Danish?"

Purchase of eggs on the basis of weight rather than count encourages a better quality, but at present, unfortunately, the practice has been pretty generally abandoned. It has proved impossible to introduce date stamping on the eggs, the system which has revolutionized Danish egg production. Nothing seems to convince the Irish farmer that it is not good business to hold over eggs in the autumn for the inevitable rise. Energetic and long-continued efforts will be necessary to overcome these obstacles. Much may be accomplished by the improvement of marketing facilities. While many societies sell direct to the retailers, some form of central organization is necessary. For a

time a special agency for this purpose existed, but it was later absorbed by the I.A.W.S. Unfortunately the tendency is for the farmers to unload only surplus or inferior stocks on this body, which on its side has been remiss in not insisting on standards. The brand which the I.A.W.S. established and advertised has scarcely acquired that reputation for good grading, dry packing and freshness at which its promoters aimed. A system of control such as has already been introduced for the marketing of butter is a possible development. The consumption of eggs, unlike other products for which substitutes are available, seems likely to increase. If Irish farmers and agricultural laborers, and especially Irishwomen, are to profit from this increased demand, the great potentialities of the industry must be developed by a wider application of the co-operative principle, combined with a better understanding of the technical details.

Co-operative organization has also proved its value in the flax industry. When the English put an end through Mercantilist legislation to the manufacturing of woolens, the success of the venture in linen brought much prosperity to the north-east of the country. Not only was the industry itself beneficial, but the cultivation of its raw material, flax, was of great advantage in the country districts. However, this valuable crop declined seriously during the latter half of the nineteenth century. Whereas in 1869, 229,178 acres of flax were under cultivation, in 1887 there were only 130,284 acres; 1893, 67,487, and in 1899, 34,989. On the other hand, the importation of foreign flax and yarn had increased in an equal ratio, while the manufacture of yarn in Ireland had decreased. The decline in the cultivation of flax threatened the existence of the linen trade, which was of the greatest importance to the country.

Many explanations for the situation were offered. Most important, perhaps, was the competition of Continental countries, where technical education, both in the manufacture of linen and in the cultivation of flax, was constantly improving the methods

of production. Without a good supply of Irish flax the Ulster linen trade was doomed, but the best qualities of flax came from Belgium. Some growers claimed scarcity of labor as the essential cause, while others were of the opinion that the seeds supplied, practically all of which were imported from Russia and Holland, were of an inferior quality. The system of marketing was crude and dangerous, giving opportunity for all sorts of abuses to the great detriment of the producers. No doubt all these factors contributed to the result. The cultivation of flax requires not only a great deal of labor, but also a very skilled form of labor. Technical education and a better organization of the trade were essential.

The attention of the I.A.O.S. was called to the flax industry by Mr. Frank Barbour, who presented a report at the conference of 1900 on "Co-operation and Flax Cultivation in Ireland," pointing out the serious situation existing and the unfortunate effects on the leading manufacture of the country. As the way out, he suggested the co-operative method. This report, followed in the same year by a conference between growers and manufacturers, led to the devotion of considerable attention to this industry and to the employment for a time of a special organizer for co-operative flax societies.

These flax societies, five of which were started in 1900, were concerned with four points: the purchase of seed, the production of best quality flax, proper scutching, and the sale of the product. Instead of buying seed from the local traders, one of whom had admitted at a conference mentioned above that he knew or cared nothing about its quality, these societies purchased direct from either Holland or Russia. The actual money saving for farmers in an industry where seed was a large item of expense was a step toward greater efficiency.

More important, however, were the efforts to improve the methods of production. Mr. Barbour had proposed the employment by groups of co-operative societies of traveling instructors.

This was, in effect, done through the agency of the I.A.W.S. And this industry, now becoming through the co-operative societies more articulate, was able to secure assistance from the newly established Department of Agriculture and Technical Instruction. Expert advice was valuable, not only in the production of the flax, but also in the after-treatment known as retting and scutching. In the latter direction, too, co-operation was of considerable advantage. Many of the societies purchased or built, while others rented, a scutch mill and were able to carry out that rather expensive process at a greatly reduced rate. There remained the problem of marketing. Under the existing system it was claimed that the buyers formed a ring, and that the growers were at their mercy. Cases where only one buyer attended the market were not unusual, especially in districts remote from Belfast. Therefore, the new societies, without forming a marketing federation, did for some time combine to maintain an agent in Belfast. They also did away with private buying on the mill premises in favor of an open market.

The number of flax societies has not grown in any degree, and the flax industry, despite considerable efforts, has not advanced far out of the depression into which it had fallen. The area under flax has shown a tendency to increase slightly, and a Committee of the Department of Agriculture in 1910 reported good prospects. It was stated in this report that while organizations of farmers were of great advantage as media for technical education, they "should not, unless in exceptional circumstances, undertake the owning or renting of mills for the scutching of their members' flax." Since co-operative societies had already proved of value for this very purpose, the influence of the Department has been arrayed here as in other cases in direct opposition to the movement.

The statistics for 1914 name ten co-operative flax societies, only seven of which furnished any returns. The most successful, at Castlefinn, Co. Donegal, had a plant valued at over £2000,

and made a net profit for the season of about 10 per cent. of that amount. Several societies have reserve funds, though none have accumulated large amounts. Perhaps the most interesting recent development is the formation of a society at Avoca, in Co. Wicklow. At one time there was considerable flax production in the southern counties, but it had long since disappeared. By the formation of a co-operative society, a considerable number of farmers have taken up the production of flax, and after a year's experience are enthusiastic over the results. Flax-growing as a field for co-operative organization undoubtedly possesses large but unrealized possibilities.

Just as many industrial processes have succeeded largely through the value of certain by-products, so there are certain subsidiary industries connected with agriculture which may be advantageously developed. In addition to poultry, which has already been considered, the keeping of bees offers an opportunity for a considerable profit with very little trouble. At present much honey goes to waste, or, rather, is not produced at all. And yet the demand is good and capable of great expansion. Aside from the fact that the ordinary layman approaches the subject rather cautiously, the causes of the lack of the development have been prohibitive prices of the few requisites and the low returns for honey as sold in the usual way.

Beekeepers' co-operative societies are easily formed, since they require practically no capital. Their work is largely done through the central federation, of which they are the constituent local units. In 1902 the Irish Beekeepers' Federation, Ltd., was created with a depot in Dublin. It dealt with the requisites of the industry, and sold the product, carefully graded. It reported that prices obtained were from 70 to 100 per cent. higher, and that the cost of appliances was reduced from 25 to 50 per cent. Unfortunately, however, interest in this industry was allowed to lapse, and the few societies which were formed have now disappeared. The I.B.K.F. has been superseded by a honey depot of the I.A.W.S.,

and a special society for the encouragement of beekeeping and the proper grading of the honey produced has been formed. The history of co-operation in this industry indicates that separate societies for comparatively subsidiary industries do not succeed. Such undertakings are to be provided for in the development of the more general type of society.

It is surprising to find that the largest industry in agricultural Ireland has been of practically no importance from the co-operative point of view. Cattle forms the largest item among the agricultural produce exported from the country, while the value of the sheep and pigs sent alive across the Irish Channel is of but slightly less importance. Some of the more undesirable features of this trade have already been pointed out. Not only is the production of beef an accompaniment of the sparsely populated districts of Central Ireland, where the few inhabitants have no more stimulating occupation than to watch their cattle, but also export on the hoof is a great loss to the country. The more profitable stages of beef production are resigned to the cross-Channel traders. In transit to England they lose in value on an average £1 to £1 10s. And the many industries which centre around cattle-slaughtering establishments, the making of fertilizers, tanning, the use of hides, and so on, are lost to the country.

The lamentable facts concerning the Irish cattle trade do not end here. An extremely costly and inefficient system of marketing prevails. The numbers of middlemen connected with the trade are very numerous and powerful. An attempt of the Midland Great Western Railway to start an abattoir at Dromod in 1883 failed on account of their opposition.

In Waterford in 1896 it is stated that there were three hundred pig buyers, and a large proportion of them not *bona fide*. In the markets the producer came off very badly. Not only were there often combinations against him, but also the accepted practices were all to his disadvantage. Purchase was not by the weight, which would have given the seller some assurance of a fair return,

but by the beast. Inasmuch as the buyers were interested in nothing else, their estimate was much more likely to be exact than that of the producer, who in this matter was a comparative amateur. Furthermore, the custom had been established that as long as a buyer was attempting to make a deal no other buyer should intervene. Thus there appeared the class known as blockers, who stood by a seller throughout the market, and, finally, when no other alternative save the expensive process of taking the beast home again was left, bought him at their own price. In the pig trade there were no less than three intermediaries: jobber, broker and buyer, all of whom exacted a tribute. The live-stock trade may be of the greatest importance in Ireland, but it is not conducted in such a way as to give the producers on the land a fair share of the ultimate return.

The importance of these industries secured much attention as to the manner in which they might be organized on a co-operative basis, while the extent and value of the business made the problem exceedingly difficult. At first some attention was given to co-operation for breeding purposes, but that work was later taken over by the Department and the County Committees of Agriculture. The real place for co-operation was in the slaughter of this live stock for the markets. Obviously the capital needs of this industry, and the necessity of organization on a large scale, constituted a problem quite distinct from any hitherto discussed. An investigator who had visited Denmark in 1895 to study the organization of the co-operative bacon factories there, reported against any rapid developments in Ireland. It was not until 1909, by the formation of the Roscrea Co-operative Bacon Factory, that the experiment was made. The capital supplied by the members was not sufficient, but friends of the movement made up the deficit. Though very severe competition was faced, Roscrea bacon immediately found a ready market. The farmers realized the new scheme was of advantage, and have supported it with enthusiasm. In 1914 the total membership was nearly

4000, the share capital invested by members £13,000, and the turnover on which a profit of £1600 was made reached the impressive figure of £58,500.*

The chief problem in connection with societies of this nature, once the initial difficulty of capital has been overcome, is the maintenance of the supply of raw materials. For this purpose the binding rule, which, as we have seen, is of great value in connection with other types of societies, has been employed. The society has the right of pre-emption on all pigs of a certain weight which members may have for sale, and for each infringement of this rule a penalty of 10s. may be imposed. Another important consideration is the method of payment for pigs supplied. In the ordinary markets the producer received cash on the spot, and so naturally demanded the same treatment from his own society. This practice has several disadvantages from the point of view of the society, since it ties up a considerable amount of capital, and, moreover, requires an assessment of costs before the actual results from the purchase are attained. By buying at the market price the society runs a danger from fluctuations in prices, which in this industry are very great. A more satisfactory procedure would be the withholding of at least a portion of the price until the product has been sold on the market. But as far as Roscrea is concerned this must be a later development.

The dressed meat trade offered even more serious problems commensurate with the larger scale of the operations.

Various efforts have been made, including an effort to set up a large abattoir in Dublin on semi-co-operative lines, but of these only one has been successful. The Wexford Meat Society, Ltd., was founded in 1909, soon after Roscrea. A large number of so-called pig and cattle societies were first formed throughout the country as an expedient to raise the necessary capital and to organize the supply. Though such local organization seems to

* The success of Roscrea Bacon Factory has recently been demonstrated by its undertaking the supply of electric light to the town.

have been of value in the early stages, these societies are now quiescent. The Wexford Meat Supply, Ltd., deals with cattle, sheep and pigs. In addition to fresh meat, it produces sausages, pork-pies, brawn, etc. The by-products department is of increasing importance, already making fertilizers, refined beef suet, oleo oil, stearine and soap. The report for 1914 showed a turnover of £116,000, of which £1600 was clear profit. Payment for live stock supplied is, unlike Roscrea, by result. In addition to insuring fair payments, this society as well as Roscrea has had several incidental results. As this type of business is done by large farmers, they have been brought into the movement, proving that co-operation is not only a poor man's remedy. The payment by weight and results has encouraged an improvement in the class of stock kept. It is said that the apparently better prices paid at Roscrea are largely from this cause. Since fattening for slaughter may now take place in Ireland, tillage, which is necessary for stall-feeding in the last stages, has been encouraged.

And, moreover, the Irish farmers are protected from the danger of restrictions on export such as occurred during the outbreak of the foot-and-mouth disease in 1912. Wexford farmers, on account of their society, were unaffected by the general dislocation of the live-stock trade which took place throughout the country.

While extreme centralization has been carried out in these two important instances, co-operation may be effectively applied to the live-stock trade on a local basis with considerable success. Bacon curing and slaughtering on a small scale by more general societies and for local consumption have already been taken up in some places, and this seems a step in that local organization which is the ideal aim of the co-operative movement. It is a remarkable fact that Ireland, an agricultural country, imports a very large variety and value of agricultural produce. This is particularly surprising in view of the fact that these imports are largely of the same nature as her exports. One is not surprised

to see rice and bananas on the unloading ways at Irish ports, but to see one ship loading with Irish bacon, while another discharges a cargo of American bacon, which eventually finds its way into the very communities from which export was made, is more difficult to explain. By local curing, the superior Irish product may be secured for the Irish farmer at no increased price over that demanded for the inferior product of the Chicago packing house. To add this activity to the work of a creamery or an agricultural store does not involve large outlays or new machinery of organization. The co-operative society of whatever form must eventually organize all the business interests of the community, and by engaging in bacon curing and slaughtering on a small scale for its local business, as is done already at Athenry, Lombards-town, Belleek, and other places, a step in that direction is effected.

This same principle of local food production for local needs is applied in the business of milling their members' grain, which several societies are now taking up. In fact, one society has been formed for this single purpose. As a commercial undertaking on a large scale this innovation would hardly succeed under normal conditions of world competition; but the grinding of wheat and oats for local consumption does not seem to involve any question. In our haste to establish industry on a large scale, we have too often overlooked the possibility of the small local unit. Milling of this sort may best be carried on as subsidiary to societies already in existence, utilizing effectively their machinery and staff.

An interesting experiment in co-operative wheat growing, another development which may be attributed to war conditions, is now being carried on at Foynes, County Limerick.

Although in other countries, such as Italy, Rumania and Hungary, co-operative farming has been carried on with great success, in Ireland there has been nothing along this line, since the ill-fated experiment at Ralahine, except for several attempts in the early years of the movement to form co-operative grazing socie-

ties. In the societies which we have already discussed, the organization has been for carrying out some particular business in connection with agriculture, not for carrying on agriculture itself. The Foynes Society is, therefore, a new departure. Started with the help of Lord Monteagle, who has been one of the most constant and enthusiastic of the co-operative leaders, and whose particular interest in the problem of the agricultural laborer was the chief reason for undertaking this experiment, it has now completed a successful year. Twenty-eight men—a number already significant in co-operative history—most of them laborers, without land for wheat growing, were carefully chosen. The land was hired, manures and seeds secured, and the ground prepared by the society, and the members shared the good crop which was made into flour and used by them in their own homes. Combined with the general store which has been started in the same district, this society seems to promise much for the agricultural laborer.

Co-operative agriculture is, some people have claimed, the logical step after agricultural co-operation. As the Rochdale pioneers proposed that eventually their society should attack the question of production directly, so it is said agricultural co-operators will find that they can best carry on their production in common. But the facts of the situation in Ireland do not seem likely to encourage a large development in this direction. For the landless laborers, no doubt, enterprises like the Co-operative Wheat-growing Society at Foynes have a great value, and this organization may well be copied in other parts of the country. But for the rest, the existence of a system of peasant proprietors is an effective bar. Co-operation for them is a method which will help to conduct certain of their business interests more successfully; they will not, however, surrender their land or their primary occupation as farmers to any kind of community organization.

Among the industries along the West coast of Ireland, to which the unfavorable conditions for agriculture have given a consider-

able importance, is sea-fishing. The Congested Districts Board has always devoted attention to this activity and has striven to aid in the provision of boats, nets, landing-stages, and marketing facilities. But recognizing the necessity of stimulating individual effort if permanent improvements were to be attained, and discountenancing its own position as a trading body in this matter, the Board in 1916 assisted in the formation of a co-operative society of fishermen in the Aran Isles. This society, which is mainly for carrying out marketing arrangements, has already proved of considerable advantage to fishermen.

The prices paid have been from 50 to 100 per cent. larger than before the society came into existence, and this does not include the profit on the first year's trade. The middleman buyer has been eliminated, and the closer organization and relationship to distant markets—even Boston, Massachusetts, offering a good market for the salt mackerel and herring of the new "Shamrock" brand—have enabled a longer season and more advantageous sales. This society has bound its members to sell their catch to it on penalty of a severe fine, as in the case of the dairy societies. This position has been most successful, and has insured the loyalty of all members at all times. It is now proposed to take up the manufacture of the barrels which are used—a form of rural industry which will serve to fill the gaps between the fishing seasons. The success of the Aran Islands Fishing Society indicates large possibilities in the organization of this industry along the western coast of the country.

One of the more obvious applications of the co-operative principle lies in the field of insurance. Many, in fact, of the existing companies are co-operative or mutual, and the holders of the policies share to an extent in the profits. The necessity of various forms of insurance in connection with agriculture in Ireland is clear.

There are certain contingencies in this, as in other businesses, for which the individual alone cannot make adequate allowance.

Inasmuch as the farmer's business is in most cases on a small scale, insurance is for him of special importance. It may cover various fields, such as workmen's compensation, live stock, fire and fidelity guarantees. The machinery for this insurance is not an Irish creation, but is carried out through the Co-operative Insurance Company of England, now a branch of the C.W.S. Its particular mode of working is not important. Suffice it to say that in insurance schemes large numbers are essential. The scheme must, therefore, in most cases be worked by a large central body, and is a development of co-operation which can come only when the movement as a whole has acquired some strength.

While co-operative insurance is on the whole a matter for the central organization rather than local co-operative societies, under some conditions the local unit may be very effectively employed. Live-stock insurance has always proved a serious problem for large insurance companies. So many facts must be taken into consideration that the outsider may be very badly taken in. Yet this form of insurance is of extreme importance, especially for small farmers who have invested a comparatively large capital in live stock. Many efforts have been made to introduce such insurance into Ireland, and of these, the so-called Whitecross system seems most successful. This system has now been in operation in the Whitecross Dairy Society for the past six years.

The contributions are fixed annually, and are deducted from each monthly milk payment on the basis of the value of the milk supplied by each individual. For the first year of membership in the scheme no compensation will be paid, but thereafter, on certain conditions, payment based on the average value per cow of the milk supplied by the member in the preceding year is made. Thus far no other societies have adopted the scheme, and reinsurance in a central society, which would strengthen the system, has, therefore, been impossible.

This chapter would hardly be complete without mention of the important lime-burning societies. Their importance does not

lie in the fact that they are particularly numerous, or particularly successful, or that their work has been of extraordinary value in the economic regeneration of the country. There were two such societies reported in 1915 having a membership of about 800, and a turnover for the year of about £600. But these societies possess the unique distinction of having received the official commendation and encouragement of the Department of Agriculture under its present régime. They embrace the familiar group of non-controversial co-operative societies. The burning of limestone had practically disappeared from Ireland, and new societies formed for this purpose would be an injury to none. No doubt previous owners of lime-kilns turned in their graves, but progress could safely ignore them.

The achievements of co-operation in Ireland have been measurably increased by this dangerously revolutionary and highly successful excursion of the Department.

From time to time various experiments in co-operative organization, such as those in connection with tobacco-growing and fruit culture, have been made. Their importance consists rather in indicating the further potentialities of the movement than in their practical achievements. All of the industries which we have considered, and many others, may profit from some form of co-operative organization, and in the few cases in which societies have been formed have so profited. But the I.A.O.S. has never been in a position to devote much attention to them, and has directed its efforts along lines of proven utility. The business of the agriculturist offers a wide field for the application of the co-operative ideal. As the co-operative principle comes to be understood and accepted throughout the country, this experimental work in a large number of directions will come to fruition.

CHAPTER XI

HOME INDUSTRIES

IN every country where the greater part of the population is engaged in agriculture on a small scale the need is felt for the preservation of certain more or less primitive industries. It is true that in such countries as Belgium and Denmark where agriculture is fully developed, these industries are practically extinct. Their place is taken in Belgium by the large number of industrial centres which exist in the midst of the agricultural population, while in Denmark the system of popular education and the intensive business organization of agriculture have taken the place of everything else.

In Ireland, however, we have great expanses of country unredeemed by any outlet for the energies of the people beyond the somewhat wearisome work of an unremunerative small holding, and in these districts it is most natural to expect that cottage industries will be found. These industries are of two main types; those which have survived and carried on an unbroken tradition since the days when they were a part of the economic life of the community, and those which may or may not have been traditional at one time but which would not exist under modern conditions were it not for the determined efforts by which philanthropic or æsthetic enthusiasts have either revived or created them.

Ireland is a country in which both these types are certain to be found. The first type, that is to say the survival of the primitive, is natural in districts which have not been swept by a generation of strangers seeking some easy road to prosperity, and the

West coast of Ireland fulfils this condition as well as almost any district in Europe. Here there are no minerals, or at any rate none have so far been thought worth exploiting, no great factories, and no great commercial centres. Even tourist traffic is in its infancy, and no people pass through this part of the country on their way to anywhere else for the simple reason that the next place is 3000 miles away and no communications have been established except by wireless telegraphy. For a population which has been less disturbed by the advantages and also the disadvantages of civilization we should have to go to Quebec or parts of the Russian Empire.

The second type of home industry, that which owes its origin to sentimental or æsthetic considerations, has also a favorable field in Ireland. There are a very large number of people who wish above all things to revive anything which they consider traditionally Irish, and to these people the idea of the peasant art must necessarily appeal. Since industry on a large scale has for many years been practically a monopoly of the predominant partner in the United Kingdom, those who seek for a genuinely Irish manifestation must go to some form of art or industry which by its nature is adapted only to operations on a small scale.

Quite apart from these academic arguments there are various practical reasons why we might expect that home industries would be particularly valuable in Ireland. In the first place, the majority of the holdings which exist in the more backward parts of the Congested Districts—among the mountains and along the sea coast of Donegal, Mayo, Clare, and Kerry—are uneconomic holdings which do not produce sufficient to maintain the occupier and his family above the level of primary poverty. In these circumstances a source of income beyond that derived from farming is necessary, and such subsidiary income might well be earned by the women of the family practising some form of cottage industry. Secondly, in those districts where farming is in a more advanced stage, it is often urged that the introduction of such

innovations as creamery butter-making in the place of the old-fashioned churning process has robbed the women of the family of their chief occupation and left them in a state of undesirable idleness. It is certainly true that the whole economic control of life tends more and more to become concentrated in the man of the family on the average Irish farm, and it is arguable that a remedy for this may be found in the organization of the women.

These are the premises which would lead us to expect a considerable development of home industries in Ireland. The advocate of such a development will have many strong arguments to put forward. It is widely realized that one of the chief reasons which drives the most enterprising of the young men and, even more noticeably of late years, the young women of Ireland to emigrate to the United States or Canada is the low standard of comfort in the home life of the average farmer, which is accompanied by a monotony of work and a lack of any outlet for superfluous energies. These conditions weigh more heavily on the women than on the men, for the latter may be rendered less sensitive by the very hardness of their daily work, or in too many cases they may find a refuge in that never-failing meeting-place, the village public-house. To meet this depressing state of things for the women and to counteract the tendency to emigrate, the organization of home industries is claimed to be essential. Further arguments based upon the necessity of supplementing the income of the family, of improving the standard of women's intelligence and energy and thereby raising the consideration (now lamentably small) in which they are held by the men of the country, of reviving artistic tradition and the appreciation of cleanliness and neatness, and so bringing about the brightness of the home and of the social atmosphere generally, can easily be supplied.

The only home industries existing in Ireland on a scale sufficiently large to command attention are those of the manufacture of homespuns, hand-knitting, lace-making, embroidery and

carpet-making. Of these only the first two, and more particularly the manufacture of homespun, locally known as frieze, are genuine home industries in the sense of being survivals of a craft designed to meet the needs of the people themselves. The others depend entirely, and even the first two depend largely, upon the possibility of finding a suitable market. Those who practise these industries are producing not for use but for exchange. It is arguable that in this fact lies the secret of the difficulties which have beset the development of these industries of late years. When a group of people are producing for exchange they are brought sharply into competition with commercial bodies which are thoroughly organized and in touch with the markets of the world. If the unskilled peasantry who develop these home industries are to meet this competition they must have some form of assistance. This assistance may take the form of Government aid, philanthropic support, or co-operative organization. On the other hand, it may be possible for a limited number of producers to rely upon the æsthetic appeal of their products to bring them into touch with a special class of purchasers. Such a system, however, must necessarily be very limited in its application under modern conditions. The number of people who really appreciate the difference between the hand-made and the machine-made article in the case of either tweed or lace is comparatively speaking small; the number of those who are prepared to back up their appreciation to the extent of paying the higher price of the home product is much smaller. Industries based on this personal appeal frequently spring up as a result of some local patronage and flourish exceedingly for a few years, only to decay when fashions change or the particular circle of people who supported them is dispersed.

But those cottagers who produce by their own labors an article which is seen to have some commercial value, and who do not enjoy any of the forms of assistance we have named, are inevitably threatened with the evils of sweating and with the tempta-

tion to turn out quicker and more remunerative but less genuine and artistic work. Very frequently both these evils overtake them simultaneously.

All the forms of development, both good and bad, which we have described, are illustrated in the history of Irish home industries. Without going into them in detail we may sketch briefly what has taken place of recent years in regard to the more important of the industries.

Irish hand-made lace has enjoyed for many years a considerable reputation both in England and in America, and some varieties have always commanded a ready sale in Paris. The greater part of this lace is made by young girls under the instruction either of the Congested Districts Board, the Department, or the various religious orders. Before the days of the Congested Districts Board lace-making was encouraged by a committee formed in London by Mr. A. S. Cole, which awarded prizes for good designs. This committee arose out of a visit paid to the Cork Exhibition in 1888, where a large amount of lace was exhibited by the Convents in the South of Ireland. Mr. James Brennan, R.H.A., accompanied Mr. Cole on this occasion, and they noticed that though the needlework was excellent the design and drawing were very bad. As a result Mr. Cole formed the committee alluded to, while Mr. Brennan persuaded the South Kensington Department of Science and Art to form classes in connection with the Convents in which the art of design should be taught. These classes were the genesis of the modern system of instruction under the Congested Districts Board.

Meanwhile the work of encouragement begun by Mr. Cole was carried on by the Irish Lace Depot which was established in Dublin by Mr. Lindsay. After the latter's death it was taken over by Lady Aberdeen, who made it into a limited liability company with a provision in the constitution that no dividend should be paid on the shares. This Depot supplied designs to lace-workers' organizations, paid market prices for their lace, and

sold it as well as possible. After expenses were paid the surplus was returned to the workers in proportion to the amount of lace supplied, on the true co-operative principle. The Depot also provided teachers free for organizations which were too poor to pay for such service. The sales of lace from this Depot in 1900 amounted to £23,000 and the grants to workers £400. Work of a similar nature was done in London by the Irish Industries Association for which Lady Cadogan was largely responsible, and prizes have been given each year by the Royal Dublin Society. It may be seen, therefore, that Irish lace-workers were provided with every stimulus to increase production.

Nor was the co-operative movement behindhand in playing its part. The anonymous writer of an article on the marketing of Irish lace, written in 1901,* to whom we are indebted for many of these facts, has this to say: "At the same time that Lady Aberdeen was carrying out this scheme (i.e. the reorganization of the Lace Depot) Mr. Horace Plunkett and his associates were spreading the knowledge of co-operative methods and organizing co-operative societies in the rural districts of Ireland. Co-operative associations of lace-workers were formed early in the movement and these increased in number and efficiency as the movement spread and took firmer and firmer hold of the country. In the co-operative societies the directors of the Lace Depot found steady sources of supply. Instruction could be readily given to societies thus organized, the execution of large orders could be counted on, and the development of a trade constantly increasing in volume and value became possible. The organization introduced by the Congested Districts Board coincided with the growth of co-operation and helped to the same end." The same writer concludes his article with the following sentence: "With twenty-three co-operative societies of lace-workers, sixteen successful schools under the Congested Districts Board, and a large

* "The Marketing of Irish Lace" ("Ireland, Industrial and Agricultural"), Dublin, 1902, p. 434.

number of unorganized workers furnishing an abundant supply, and the Lace Depot and other agencies opening the way to the market, the prospects of the lace industries in Ireland are distinctly hopeful.”*

Unfortunately these bright hopes have not been fully realized owing to the difficulties connected with the marketing of the lace. The classes of the Congested Districts Board increased with great rapidity, and their turnover reached as high a figure as £30,000 in a year. But the Board had to complain year by year of the difficulty of inducing workers either to adopt new patterns in obedience to the demands of the market, or to observe those habits of punctuality and accuracy which were necessary for success in dealing with large commercial buyers. As fashions changed and the competition of machine-made lace grew keener, these factors told seriously against the Irish producer, and there were soon ominous signs that the market was being glutted. The I.A.O.S. realized this at an early stage, and after vainly trying to bring about some trade federation which would enable the societies to find favorable markets, it decided to discontinue this form of organization. Before very long the existing societies began to fade away, and there are now apparently none left. The Congested Districts Board began to feel the danger of the situation rather later, and we find a serious decline taking place from the year 1913. In this year the earnings were over £29,000, but in 1913-14 they fell as low as £17,500. The Board's Report contains the following observations: "The falling off in the receipts of lace and crochet must be attributed to the quantity of Austrian hand-made lace or crochet and of machine-made English lace which has been put on the market in competition with Irish hand-made lace. So far no attempts have been made by lace-workers in Ireland to produce machine-made lace, but it may become desirable to consider the question of doing so. Expert makers of the best kind of Irish lace will always, it is thought,

* *Id.*, p. 435.

be able to sell their work at a fair price, but change of fashion and machine competition tell most severely against coarse work and workers of inferior quality."

How serious the situation was is illustrated by the fact that the earnings at one of the best centres fell in one year from £1160 to £147. To meet this state of things the Board reduced their lace classes as rapidly as possible and substituted classes for embroidery and hand-knitting. It need hardly be said that war conditions have completed the destruction of the market for lace, while they have given a considerable stimulus to the demand for knitted goods. There is still a limited market for really good lace and, as is suggested in the remarks quoted, this demand will probably be permanent, but there is little reason to suppose that anything but the best will be able to compete with the machine-made article in the future. The moral seems to be that such a body as the Irish Lace Depot, keeping a high standard and appealing on æsthetic and perhaps sentimental grounds to a limited class of customers, can sustain a flourishing industry on a rather small scale, but any attempt to go beyond the limits of such a depot means commercializing the industry, and thus bringing it face to face with a competition which it cannot overcome. There is a constant risk of overproduction and deterioration in quality which with any change of conditions may lead to sudden disaster.

The making of lace has been to some extent replaced by fancy needlework and embroidery. This industry has been carried on in much the same way, and with about the same results, as the manufacture of lace. Most of the Home Industries Societies started by the I.A.O.S. carried out a good deal of work of this kind in addition to the production of lace, and there was also a considerable output from the classes controlled by the religious orders and those held under the Congested Districts Board and the Department of Agriculture. Much the same conditions obtain in this industry as we have already described in dealing

with lace. We may mention, however, as an example of organization which was successfully carried out over a number of years, the Dalkey Co-operative Embroidery Society. This Society was one of the first two home industries associations started by the I.A.O.S. It attracted the attention of Lady Betty Balfour, who gives a description of its work, from which we take the following quotation:

“A number of girls who in school and afterwards had shown themselves capable of doing very highly finished needlework, whose skill should have been to them a source of income, yet found themselves without the means of exercising their talents to profitable purpose. Manufacturers and other employers could not help them. It remained for them to help themselves. The friends of the co-operative movement, which was spreading so rapidly among the farmers of the country, came to their rescue. A meeting was held at the convent of Dalkey, and a society formed to develop and improve the general needlework and art-embroidery in Ireland, to improve the moral and social status of the workers engaged in such occupations by imparting to them technical education in all branches of their business, and obtaining a market for their work, and saving for them the profits derived from the sale.

“The Loretto Nuns of Dalkey gave the workers the use of a building in the convent grounds, which was fitted up as a work-room. One of the nuns undertook the management, competent teachers were secured, and the society started in October, 1895.

“A small capital was subscribed to start the society, and it is now self-supporting. Workers are not required on entering the society to pay anything, but they are all obliged to become shareholders. This they can do by allowing their share of profits to be devoted to the purchase of shares till they are fully paid up. This does not, however, diminish in any way their ordinary wages. The workers are paid according to the amount and

quality of their work. The profits of the society as ascertained when the accounts are made up at the end of each half-year are divided among the workers in proportion to the wages that each has earned during the time.

"A committee is elected by the members of the society, and the rules for hours of labor and the general conduct of business are made by the committee. A member cannot be dismissed for any cause whatsoever except by a vote of the whole society. Before a worker is admitted a member of the society she must first enter the workroom as an apprentice or as a paid hand. If she does not prove herself capable and industrious she will not be admitted into the society."*

This society undoubtedly furnishes a model form of organization, and it gained great practical success, employing as many as fifty to sixty workers with an output of over £1000 a year. It was largely helped in this by the influential patronage which its origin and its situation near Dublin enabled it to command. After figuring for twelve years in the I.A.O.S. returns it ceased to exist as a co-operative society, having no doubt passed entirely into the hands of the nuns.

Throughout the North of Ireland a large amount of white embroidery or "sprigging" is done, chiefly to the order of the Belfast linen firms, which send out the materials and designs to the cottagers. Writing on this subject Mr. Rolleston says: "Hand embroidery in its more artistic developments is still fortunately incapable of satisfactory imitation by machinery, and must rank in Ireland as a very considerable and by no means decaying industry. The white embroidery and drawn-work produced for the large Belfast firms, as well as at various independent centres throughout the country, is of admirable quality in design and execution. In this whole department of Irish art-work it

* See "Art and Cottage Industries" ("Ireland, Industrial and Agricultural"), p. 440.

may safely be said that nothing approaching it for excellence is to be found anywhere else in the United Kingdom, and not very much even in France or Belgium.”*

Unfortunately, however, the conditions under which this work has been done for various large firms have been anything but satisfactory. The Royal Commission appointed in 1912 to inquire into the linen industry revealed the fact that these outworkers earned the terrible wages of a penny to a penny farthing an hour for work which had to be done indoors in stuffy cabins and involved a serious danger to the eyesight of the workers. Moreover, they were never fully convinced of the necessity of punctuality, and frequently failed for this reason to get paid for their work. A certain improvement has been effected in some districts, notably in parts of Donegal where co-operative stores and agricultural societies have made themselves responsible for the distribution of this work.

The hand-knitting industry is also of long standing in Ireland, particularly in the counties Donegal and Mayo. The demands of war have given a great stimulus to it, and the Congested Districts Board have been rapidly replacing their lace-making classes by classes in hand-knitting. The most successful of Irish co-operative experiments in home industries has been carried out at Dungloe in County Donegal. Here, through the energy and enthusiasm of several small farmers, of whom Mr. “Paddy” Gallagher has made himself famous throughout Ireland, a large and flourishing agricultural society and a general store, in addition to two credit societies, have been established in a most poverty-stricken and gombeen-ridden district. Within the last two or three years Mr. Gallagher has added to these enterprises a model factory for hand-knitted goods, which is now filling large contracts for gloves, socks, etc., for both the British and Belgian War Departments. A hundred girls are employed in a clean, airy and comfortable workshop which was originally a village hall, built

* *Op. cit.*, p. 438.

by the co-operative society. They work eight hours a day with an hour for lunch, and earn on an average one pound a week, where before the society intervened they worked ten or twelve hours a day for five or six shillings a week. In addition to these a large number of home workers are employed. The excellent quality and moderate price of the goods are testified to by the keen competition among buyers to secure contracts with the society for its output, which is replacing a corresponding amount of German manufactures.

We come now to the homespun industry, which is the most important and most characteristic of all. Throughout the western counties of Ireland, the spinning, weaving and dyeing of tweeds are universal. The fishermen and laborers of these counties are clothed in frieze made in their own homes, and the fishing tourist in Connemara or Donegal is sure to be accosted sooner or later by an old lady who seems to have sprung mysteriously from the bog with a large roll of tweed under her arm, on the sale of which, she asserts, the payment of her rent or the purchase of a pig must depend. The demand thus created—for the suits made from this material are attractive enough to excite envy in the minds of fellow-tourists—has led to a considerable industry on the part of small hotel-keepers and other middlemen, and it is to be feared that a good deal of sweating and profiteering goes on under the guise of philanthropic support of home industry. The Congested Districts Board has given considerable help in providing looms, instruction and markets for the tweed, and a very large amount is sold to English buyers every year in two large markets in South Donegal, where sheds and inspectors are now provided by the Board. The commercialization of the industry has led to a deterioration in the originality and artistic merit of the product, and there has been a certain amount of machine spinning introduced in the attempt to produce the cloth more rapidly.

An interesting experiment has been tried in the more northern part of Donegal under the influence of Mrs. Kennedy, whose son

owns a property in the neighborhood of Gweedore.* Here the workers were first formed into an association which secured a contract with Messrs. Burberry for a considerable quantity of the highest quality of hand-made tweed. The results were so satisfactory that many more workers applied for membership than could be employed under this contract. In 1914, therefore, a co-operative society was formed, which has been turning out most artistic and well-made tweed. The chief difficulty encountered by the society was naturally that of finding a market, and this difficulty is accentuated by the attitude of the tailors, who persistently refuse to encourage the production of homespun cloth. No tailor will buy from an association which sends out patterns to individual clients; but if the whole output is sold at wholesale, it is found that the demand for originality and good workmanship ceases, and the price, failing the stimulus of competition, becomes unremunerative. It seems to be necessary, therefore, that the society should depend for its market upon the goodwill of those individuals who really appreciate good and original workmanship, and are prepared to brave their tailors and pay almost as much for having a suit made out of their own material as for one in which the material is provided by the tailor. As in the case of lace, this market is limited and capricious. During the war it has practically ceased to exist, but has been replaced by the demands of the army. If the industry is to be carried on successfully after the war it will probably be necessary to reorganize it by creating some such body as that curious but eminently successful council of philanthropists and merchants which is responsible for the excellent market commanded by Harris tweeds.

The remaining home industries of Ireland are easily disposed of. Most important is that of hand-made carpets, for which

* The work has been well described in two articles by Mrs. Kennedy and her son in the Bulletin of the Co-operative Reference Library for December, 1914, to which the reader should refer for detailed information.

Donegal has achieved a certain fame. These carpets are made in three factories established by a Scottish firm about the year 1895 with a certain amount of assistance from the Congested Districts Board. The work shows considerable artistic merit and durability, but the wages earned are by no means ideal. Mention must also be made of the carpets, rugs, tapestries, etc., made by hand by the Dun Emer Guild in Dublin, whose products have been largely bought by the Canadian Pacific Railway.

In the neighborhood of Belfast and Dublin a certain amount of work is carried on in stained glass, wood-carving, leather-working, and bookbinding. A considerable industry in repoussé brass- and copper-work has been developed under the patronage of Mr. and Mrs. Montgomery at Five Mile Town in County Tyrone. Basket-work is carried on in some parts of the South and West, though difficulties are found with the supply of suitable osiers for the purpose. Belleek has established a certain reputation for pottery, and the traditional Irish industries of cabinet-making, silver- and gold-smith's work, and illuminating and engraving are still practised to some extent, although there is a notable absence of any native originality of design. The making of dolls and toys has also been undertaken from time to time, and the effect of the war in weakening competition has resulted in a revival of this industry.

It remains only to summarize briefly the efforts made by the I.A.O.S. to include the organization of home industries in its programme, and to suggest the reasons which have led to the comparative failure of this scheme. The first two societies were organized in the years 1895-96, one being the Embroidery Society at Dalkey which we have described, and the other, more general in its scope, at Ballinagleragh. During the next few years considerable importance was attached to this form of organization. As we have noted, the criticism was frequently made that the I.A.O.S. by organizing creameries was depriving the women of the country of their natural occupation, namely, the making of

butter, and so driving them into enforced idleness or emigration. It was thought that the formation of home industry societies would meet this criticism while at the same time helping to stem the flood of emigration, to supplement the incomes of the poorest families, and to raise the standard of neatness in home life. In 1898 an arrangement was come to by which the Irish Industries Association, of which Lady Cadogan was president and Sir Horace Plunkett a member, should work in close conjunction with the I.A.O.S. and attempt to market the produce of the co-operative societies organized by the latter body. By 1900 the number of these societies had increased so much that it was found desirable to appoint a special organizer to supervise them. As a result there were within a year or two from fifty to fifty-five societies in existence. How large their turnover was it is impossible to say, owing to the failure of most of them to send in anything like complete statistical returns. In 1902 there were fifty societies on the list with a membership of almost 3000. Thirty-two of them stated the amount of their trade, which totaled £12,000, the largest turnover being that of Carrickmacross with £1429. By 1904, though the number of societies had increased to fifty-five, returns of trade were only secured from twenty of them, totaling in all £4147. This year is the high-water mark of the societies as far as numbers are concerned, but the decline in efficiency had already set in, and the remaining history is one of decay. By 1909-10 the societies had practically ceased to play any part in the programme of the I.A.O.S. The organizer passed into the service of the United Irishwomen on the foundation of that body, and the I.A.O.S. has several times recommended that the United Irishwomen should take control of the societies also. The suggestion certainly seems appropriate, but so far no response has been forthcoming. The United Irishwomen have been either too busy with other things or too deeply convinced of the hopelessness of the situation, and the home industries societies appear to be condemned to a gradual death. In 1914 there were

sixteen still in existence with a membership of 910 and a turnover given as £2234. Of this sum, however, £1500 was due to the Cuala Press and the Dun Emer Guild, which are really philanthropic associations more than co-operative societies. Only two other societies stated their trade at all, and it is doubtful whether more than half of them are really working.

The reasons which have led to the collapse of what seemed at one time a promising programme are fairly simple, and are mostly foreshadowed in the I.A.O.S. report for 1904, from which we quote: "The fall in the demand and prices for Irish lace made it undesirable to push the formation of societies. The securing of markets for societies is not really a work which the I.A.O.S. or its officials should undertake, but in the absence of a federation of home industry societies it has been found absolutely necessary in some cases if societies were to continue in existence that an effort should be made to find an outlet for their work. It is worse than useless to instruct workers if there is no visible prospect of a market being found for their work. The work of bodies like the Irish Industries Association, while valuable, is too spasmodic in its character really to solve the problem. The great sales organized with so much enthusiasm, while they undoubtedly lead to a great deal of money being returned to workers, are not in the long run the most reliable way to assist industries. Among the defects in the societies which can and ought to be remedied from within are indifference to a high standard of workmanship and disregard of time. Inferior lace is often turned out and naturally the demand and price fall. Orders given by business houses to be executed within certain dates are disregarded and the workers suit their own convenience, and consequently the customers instead of pressing the sale of Irish work are forced to press foreign, as they cannot count on getting the Irish, while the foreign can be relied on. To compete with the people versed in such work and trained to it from infancy is no small undertaking, and the teachers are often discouraged not only by the deficiencies

of their pupils but by the fact that their own remuneration is often arranged on a most unsatisfactory basis."

All this when summarized simply amounts to restating what has become apparent in our consideration of the particular industries, namely, that although a certain amount of work may be produced which is of such excellence that it commands a sure market, when the industry is more widespread the standard falls and it is necessary to adopt a commercial method of marketing. This was an undertaking which the I.A.O.S. could not face in addition to all the work it was called upon to do for creameries and agricultural societies. The efforts made by the Irish Industries Association and the Lace Depot began with philanthropy and degenerated into shopkeeping. A federation of home industries societies might have solved the problem, but such a federation would always have been on the horns of a dilemma. If the societies affiliated to it had all produced lace and embroidery (and in the case of those organized by the I.A.O.S. 90 per cent. of their turnover was of this nature) any fall such as frequently occurred in the market would have ruined it, while if their output had been diversified, bulk would have been so small that the federation would have had difficulty in finding a market at all.

There were also serious difficulties with the local societies. In practically all cases, especially the more successful ones, these societies were the outcome of the energy and enthusiasm of some one or two ladies or of a religious order. The bulk of the workers were young girls who could not be expected to have any understanding of co-operative principles or to do anything except follow the instructions of those who provided them with work. Under these circumstances, the whole essence of co-operation, which lies in equality and mutual help, was lacking. The results are seen in the columns of blank spaces which adorn the I.A.O.S. reports in the place where the statistics of the home industries societies ought to be. It is to be feared that many of the patronesses, after getting registered under the Industrial and Provi-

dent Societies Act at the advice of the I.A.O.S., thought very little more of their duties as co-operators. Certainly the contributions from these societies to the I.A.O.S. would not in most years have supported an organizer for a month, and this in itself was sufficient to make it impossible to keep them going. In any case, they were less relevant to the general programme of the I.A.O.S. than any other form of society, and a separate body like the United Irishwomen might well have been formed to look after them. It is natural that various experiments should attend the early years of a movement of this kind and should subsequently have to give way to a more restricted but more businesslike programme.

Nevertheless this chapter has not been wasted in giving the history of a failure. The home industries societies played their part in a general and continued revival of energy in Ireland. They were undoubtedly successful in adding to the earnings of many thousands of girls and in checking emigration. And it does not follow because their names have disappeared from the list of co-operative societies that the industry has died. In almost all cases they have passed into the hands of philanthropic persons or religious bodies and the work goes on. The method was perhaps unsuccessful, but if the effort had not been made the country in general would have suffered a considerable loss.

CHAPTER XII

THE DEPARTMENT OF AGRICULTURE AND TECHNICAL INSTRUCTION

ATTENTION has been drawn at various points in the preceding chapters to the backwardness of the Irish farmer concerning the technical details of his industry, and to the handicap thus imposed upon the co-operative movement. For reasons already given, he was content with the traditional crops, the traditional tools, the traditional methods. He did not understand the use of artificial fertilizers, and spraying potatoes was a practice which he considered not only unnecessary but undesirable. Of the agricultural revolution which was effecting as great a change in the productivity of the soil as the harnessing of steam and the works of inventive genius had done in the industrial sphere, he was sublimely ignorant. Whereas on the Continent the yield of potatoes per acre reached 15 tons, in Ireland the average was 2.6 tons. This single fact was characteristic of the general situation. Whatever else might be done to improve the condition of Irish agriculture, no great prosperity could be attained without a large improvement in agricultural methods, and for this purpose a comprehensive measure of agricultural education was necessary.

The efforts which had already been made in this direction had proved quite inadequate. A certain amount of useful work was done by the Royal Dublin Society, which from 1731 had administered various State funds for the improvement of agriculture. Its activity consisted largely in efforts to improve the stock of the country, particularly the horses, though some attempts were made to increase and develop tillage operations. To this society

may be attributed the establishment of the Royal College of Science, which has now assumed an important place in the general educational scheme. Likewise, the National Board of Education inaugurated in 1838 a comprehensive system of agricultural education, with a large number of model farms. But these were abandoned largely on account of the hostility of the Manchester school of economists, who stigmatized this action as subversive to the well-established principles of political economy. The net result was only a very slight impression upon this important problem.

In the beginning, and indeed at the present time, the co-operative movement itself has been forced to devote much effort in this direction. Technical instruction was so essential that the I.A.O.S. found it necessary to combine this with its proper work of organization. Only by such a combination was it possible to achieve any results at all. The first co-operative societies, the creameries, were created largely by convincing the farmers of the technical advantages of this method of butter-making, and have been made successful by the constant assistance given them by the creamery staff of the I.A.O.S. Likewise the agricultural experts of the society have done a splendid work in introducing new methods of crop rotation, and various forms of agricultural machinery. This extraneous but inevitable and necessary activity was a serious drain on a movement which was never overburdened with resources. In the more restricted field of co-operative organization the I.A.O.S. found ample room for its activities. Nevertheless the combination and co-ordination of education and organizing work seemed essential. If State aid was to be introduced—and only the Government with its large resources and ample powers seemed competent to deal with the problem—it must be applied in a way to encourage the spirit of self-reliance and individual capacity, and must be used in connection with the agencies of self-help already existing.

This was the broad conclusion of the "Recess Committee on

the establishment of a Department of Agriculture and Technical Instruction for Ireland," a body unique in the history of the country. It had been gathered together during the parliamentary recess of 1895-96—hence the name—by Sir Horace Plunkett, whose activities in the co-operative movement had already won for him considerable influence. His experiences in starting societies had convinced him of the necessity of governmental action. The terms under which this committee was assembled were significant. In his letter to the Irish Press proposing the conference, Sir Horace Plunkett declared:

"The time has arrived when we Unionists, without abating one jot of our Unionism, and Nationalists, without abating one jot of their Nationalism, can each show our faith in the cause for which we have fought so bitterly and so long by sinking our party differences for our country's good, and leaving our respective policies for the justification of Time. . . . If it be agreed that it will be good patriotism and good policy alike to work for the material and social advancement of our country, what is to make us hesitate to enter at once upon that united action between Irishmen of both parties which alone can produce the desired result?"

The response to this appeal was exceedingly encouraging. Practically all shades of political opinion and all interests in the country were represented in the committee which was formed. Nationalists and Unionists, Ulstermen and Southerners, agriculturists and manufacturers, joined in its deliberations. A special committee in Ulster studied particularly the question of industrial development. Only those groups in the Nationalist and Unionist parties led respectively by Justin McCarthy and Colonel Saunderson refused to participate. That these men should have come together at all to discuss and formulate a constructive policy for Ireland was in itself remarkable; that they should have presented a unanimous report would seem little short of miracu-

lous, had not the subject of their deliberations been a fundamental matter to all classes.

Two problems which Sir Horace had suggested for the deliberations of the committee were considered—the establishment of a State Department of Agriculture and the facilities for technical education. Their report, both from the point of view of the material gathered and the policy recommended, is of the greatest importance. After describing the economic conditions and the available resources of Ireland, it goes on to formulate a policy of State aid for agriculture. This policy was based on careful inquiries into the experience of various European countries. Investigators were sent out, and their reports, indicating the causes of industrial revival elsewhere, were carefully considered. It was shown that the development of agriculture had depended on three factors: organization, representation and education. In Ireland the first principle had been recognized in the formation of co-operative societies, but as for the others, the country was altogether backward. If Irish agriculture was to assume its proper position in the economic life of the country, it was clear that an advance must be made in these directions.

It was proposed, therefore, to establish a new Government Department, dealing with the two problems of agricultural and technical education, advised by a body representative of the farmers, and sufficiently endowed to perform the educational and experimental work essential for the development of the country. In view of the ridiculous number of Government agencies already existing, this proposition seemed only to complicate the problem. And, indeed, had the new Department been of the usual sort, misgivings would have been justified. To endow Castle government, out of touch as it was with the interests of the people and enjoying so little of their sympathy and support, would have proved an irritant and not a remedy. As a matter of fact, no little difficulty was experienced in the early activities of the Department because the people did not understand its independent

position. For, happily, the new Department, through the wisdom of the Recess Committee, and particularly of Sir Horace Plunkett, was constituted in a way quite different from those already existing. The scheme was enthusiastically received by all classes of the people, and the demand for the necessary legislation was practically unanimous. After a delay of some years, occasioned by the prior claims of the Local Government Bill, the recommendations of the Recess Committee were realized by the establishment in 1899 of the Department of Agriculture and Technical Instruction for Ireland.

The constitution and organization of this new body are remarkable in many respects, differentiating it from all other State agencies in Ireland, and giving it considerable importance from the point of view of political organization generally. At its head is a Vice-President,* who represents the Department in Parliament, and is regarded as a member of the Government. All other State bodies in Ireland are represented only by the Chief Secretary. But the feature of the Act which merits special attention is the provision to make its control representative of the people whose interests are concerned. A Department of Agriculture run by a predominantly non-agricultural group may or may not contribute to the welfare of the class for whom it was intended. But control by the class concerned will at any rate reflect their own opinions and desires. For this reason the Act of 1899 provided for a number of representative bodies, who enjoy considerable control over the activities of the Department. The first of these, known as the Council of Agriculture, has 104 members, two-thirds of whom are elected by the county councils, established under the Local Government Act of 1898. The remainder are nominated by the Department. This body is largely advisory. It holds at least one general meeting each year at which the policy of the Department and various matters of importance to the

*The President of the Department is the Chief Secretary for Ireland, but the post is a nominal one, and he exercises practically no control.

farming community are considered. But through two smaller boards, a majority of whose members are chosen by the council, it exerts much direct power. The Board of Agriculture and the Board of Technical Instruction have an immediate control over the activities of the Department, not only as active advisory bodies, but also as the final authorities in determining the disposition of the annual revenue. The Department would thus seem to enjoy a large measure of popular control.

This control is further secured through the arrangements made for the application of the funds. Except in extraordinary circumstances, no aid was to be applied locally unless the local authorities themselves contributed to the expense. Since such a contribution involved additional taxation, authorized by the Act up to a penny on the pound, together with the penny already authorized for technical education, the farmers had a real incentive to demand a voice in determining the employment of their money. To ensure this result, committees named by the county councils were to arrange, in consultation with the officials of the Department, the apportionment of the funds and to administer the various projects. The danger of a large number of independent and amateurish local schemes was thus obviated, while local, and so individual, initiative and energy were in every way encouraged and demanded.


The ordinary Government Board or Department, especially when it is an organ of the national unit, enjoys very little loyalty or support from the individuals with whom it deals. As a part of a huge machine, it works independently, while the people who enjoy its assistance look upon these services as their prerogative. By nature governmental activity, in performing for individuals services which otherwise they would find it necessary to do for themselves, apparently releases them from responsibility. For this reason the greatest problem in connection with all forms of State activity and State socialism is the preservation of individual initiative and self-reliance. The founders of the Department

realized this inherent danger of governmental activity, as the following quotation from the first Annual Report will indicate: "It is a chief aim of the Department to stimulate rather than to weaken the spirit of industrial self-help, and its action will be governed by this idea. Its endeavors will be mainly confined to removing the obstacles which at present hinder in Ireland the due exercise of initiative in industrial matters, and to creating a state of things in which private enterprise can act with confidence and freedom." The provisions for popular control and administration which we have examined were in accordance with that far-seeing policy.

In carrying out its important work, the Department has enjoyed very liberal support from the Government. In addition to an endowment fund of about £200,000, annual Parliamentary grants of from £166,000 to £400,000 have been made. These funds have been increased by contributions from the local rates in the manner we have described, which amount to over £100,000. The disposition of the grants is largely in the hands of the Boards of Agriculture and of Technical Instruction, though certain assignments within broad limits, such as £55,000 for technical instruction, and £10,000 for sea fisheries, are made by law. The remainder, a very considerable amount, is for the general purpose of the development of agriculture. Until the law of 1903 no portion of this money was to be spent in the Congested Districts, but in view of the complications and inequalities which this limitation had introduced, it was then withdrawn.

The activities of the Department cover a wide field, embracing many forms of educational and experimental work. Wherever its operations can be carried out more advantageously on a local basis, the details are arranged and the schemes administered by the county agricultural committees. Of this nature are the various schemes of instruction in agriculture, horticulture (including bee-keeping), poultry-keeping, and so on. A large number of itinerant instructors are employed who give practical assistance wherever

it is required. As a feature of this work, many field experiments are conducted in the various districts. Special demonstration plots to give practical effect to the recommended purchase of good seeds and artificial manures are arranged. Potato spraying is most assiduously taught throughout the country, in order to prevent further disastrous failures of this important crop. Likewise the improvement of live stock, by the introduction of high-grade stallions, bulls, etc., has been carried on in connection with the county committees. On the other hand are the activities of less immediate significance and of national rather than local importance. Here the Department works more independently, subject always, however, to the advice and criticism of the representative bodies. The higher and more specialized branches of agricultural education, experiments and investigations into new crops and new methods, the administration of various laws relating to agriculture, loans for special agricultural purposes, the encouragement of forestry, information as to markets and methods of transit are provided in this way. A fisheries branch of the Department has done much to improve the sea- and fresh-water fisheries of the country. In the sphere of technical education there are large grants to both primary and secondary schools. Finally, the Department maintains a statistics and intelligence branch which collects and disseminates information by means of reports and leaflets. The combined action between the Department of Agriculture and the co-operative movement, recommended by the Recess Committee, was facilitated by the close similarity in the principles upon which both were founded. While the two fields were quite distinct, each agency having its own proper function, it was clear that only by a proper co-ordination and cordial sympathy could the best results be obtained. The two were complementary and supplementary. In order to ensure to the farmers the full advantages of new methods and ideas, co-operative organization was necessary. Otherwise the increased product would be in large measure absorbed by the middlemen.



Moreover, in the co-operative society was to be found the local organization necessary to make many schemes successful. It was impossible to obtain any very large results while working through individuals. Only when a number of farmers were gathered together and could compare results could this be done. Much of the work of the Department was made effective only through the existence and assistance of the co-operative societies.

The value of this co-ordinated effort between these two agencies was indicated by the early history of the Department. Sir Horace Plunkett, who had been appointed to the vice-presidency, the chief executive office, carried out with faithfulness and energy the recommendations for which he had been so largely responsible. On the one hand, the Department at once took over the agents of the I.A.O.S. who had been engaged chiefly in the work of technical education. Since this change could not be accomplished at once, a direct subsidy was given, in order to relieve the Organization Society from this heavy expense. We have already examined in detail this policy of the Department. On the other hand, a great part of the work of the new educational body was carried out through the local co-operative societies. "As it was on the basis of the work of those societies that the new Department was erected," runs the first Annual Report, "so also it was through their co-operation that the early phases of the work, by no means easy work, were rendered in any degree fruitful; in some cases indeed one might say rendered effectively possible." The lecturers sent out through the country testified that only where local organization existed were the audiences large and the discussion intelligent. Likewise the medium of the societies was used for various forms of experimental work. Local conditions vary very markedly, and in recommending the use of artificial fertilizers and the like, it was particularly important to take them into consideration. Of about two thousand potato tests made throughout the country, practically 90 per cent. were arranged through co-operative societies. Voluntary local organi-

zation immediately proved itself a most important if not essential accompaniment of the work of the new Department.

These early years of its history were altogether successful as a vindication of the principles and ideals on which it had been founded. The Report of the Departmental Committee of Inquiry in 1907 was generally favorable. It was shown that the representative boards and council, even though possessing advisory powers only, had been a most valuable feature of the scheme, and that the combination of elective and nominated elements had been of general advantage. The demands from some quarters for complete popular representation and for increased powers were not upheld. Much had been accomplished in the education of experts, in the provision of itinerant instructors, and along many of the other lines which we have described. Only in respect to the work in the Congested Districts, which had been taken over from the Congested Districts Board in 1904, was the achievement considered unsatisfactory. "We believe," stated the report, "the Department has been successful in stimulating throughout Ireland a sense that in various directions improved conditions of agriculture are within reach of the farmer, and a desire to take advantage of the methods by which that improvement may be in some measure obtained. . . . In this work the Department has been aided by the cordial co-operation of the local authorities throughout Ireland with very few exceptions."

Unfortunately the happy and mutually advantageous relations between the Department and the co-operative movement were not continued, and the cleavage which has existed between the two agencies has been the greatest obvious obstacle to the development of Irish agriculture during the last few years. Soon after his appointment, Sir Horace Plunkett lost his seat in Parliament, but though it had been intended that the vice-presidency should be filled by a Member, by general consent he continued at the post. In commenting upon this practical modification of the original Act, the Majority Report of the Committee of

Inquiry, 1907, stated that the fact that the Vice-President had not been a Member of Parliament had proved an advantage rather than otherwise. To his independence from party politics was in large measure to be attributed "the absence of friction arising from political and religious differences." At any rate, the retirement of Sir Horace Plunkett in 1907, a step which he felt it necessary to take in view of many attacks by the Nationalists, and the restoration of this provision in the appointment of Mr. T. W. Russell, M.P., to the vacancy, has been accompanied by far less happy results. Mr. Russell inaugurated a complete change of policy. Upon an unfounded charge of political action against Sir Horace Plunkett, who had resumed the presidency of the I.A.O.S., the subsidy to that organization from the Department was withdrawn. Co-operation was anathema, and thereafter the two agencies, which were originally conceived as co-workers in the economic regeneration of Ireland, have struggled along different paths and often been directly opposed to each other. The work of both has suffered immeasurably in consequence.

For this situation, Irishmen, and particularly the chosen representatives of the Irish people, are responsible. The Nationalist Party, though it had never given whole-hearted support to the co-operative movement, had concurred in the programme of the Recess Committee. Home Rule was, for the moment, impossible, and all parties might reasonably unite to formulate a practical measure of reform. But by 1904 the attitude toward the co-operative movement had changed. John Redmond, leader of the reunited Irish Party, who had been a member of the Recess Committee, had then declared that "the real object of the [co-operative] movement . . . is to undermine the National Party and divert the minds of our people from Home Rule, which is the only thing which can ever lead to a real revival of Irish industries." Perpetually and everlastingly, in the face of facts again and again reiterated, they have raised this empty spectre of co-operation as a political movement, intended to wean Ireland

from her just demand for Home Rule. The testimony of nearly three hundred societies in an investigation made in 1901 did not convince them, though every answer to the circular sent out denied that the I.A.O.S. had ever interfered in politics, and stated, on the other hand, that it had been a thoroughly beneficial agency. No amount of evidence from those directly concerned has been sufficient, no argument has availed until quite recently to modify this unfair and damaging attitude of hostility which the Party has assumed.

Many indications of this hostility have been and continue to be given. We have already traversed the thorny ground of the controversy between the Department and the I.A.O.S. on the question of financial support, and have shown in the restrictions imposed upon the grant from the Development Commissioners through the activities of the Department the way in which the Irish movement, in contrast with its English and Scottish imitators, has been hampered. Likewise the attack upon the co-operative credit societies, culminating in the recommendations of the Departmental Committee on Agricultural Credit, has already received sufficient attention. One or two additional incidents may be narrated here.

In 1909, as the result of an inquiry into the position of the Irish butter trade by a Departmental Committee, a Bill was drawn up and submitted to Parliament. The I.A.O.S., which represented creameries making more than half the butter exported from the country, was not consulted in this matter, and even though the Bill proposed received little sympathy among the farmers, its carefully formulated recommendations were completely ignored. The same unwillingness to recognize the co-operative movement was displayed soon after the outbreak of war. It was to be hoped that in such a time of national crisis petty differences would be set aside, and the co-ordinated action which alone would ensure the most effective activity on the part of Irish farmers would be realized. Yet despite every effort on

the part of the I.A.O.S. the Department refused to modify its attitude. The great need in Ireland has always been increased tillage, and this was rendered many times more necessary by the war conditions. The Organization Society constructed a programme to attain this end, which required for its thorough application the assistance of the Department. Mr. Wibberley's scheme for continuous cropping was to be taught throughout the country, and was to be made possible for the small-holders by the co-operative purchase of the necessary machines. But the Department refused to connect itself with anything of this nature, and the result was the comparative failure of the campaign for increased tillage.

This constant and continued opposition of the Department is to be explained only in one way. The claim of political action on the part of the I.A.O.S. is the pretext and not the real cause. The fact is that the Department, and indeed the Nationalist Party itself, is in the hands of the traders. Defeated in the economic field, the vested interests have maintained their hold on the political life of the people, and have from this side been able to attack the co-operative movement with much greater effect. The Council of Agriculture, which was intended to represent the farmers, is now in their hands, and they have thus been able to direct the policy of the Department in accordance with their own interests.

As long as this situation continues, the rapid reconstruction of Irish agriculture, in such a way as to bring prosperity to the country, is rendered practically impossible. Only by the acceptance of the principle of combined action, laid down in the Report of the Recess Committee, can the end for which both agencies were created be attained. The Department has the resources and the powers, and is constituted in such a way as to act as a most effective educational medium. But its efficiency may be many times increased if its antagonism to co-operative organization, which is subversive in every way to progress and prosperity, and

it may be the favorable outcome of the world struggle, can be set aside. After two and a half years of war, some steps seem to have been taken in that direction. May this new policy be continued, for only by the restoration of co-ordinated effort can Irish agriculture become the sound basis of the economic life of a prosperous and happy nation!

CHAPTER XIII

INDUSTRIAL CO-OPERATION AND ITS RELATION TO THE AGRICULTURAL MOVEMENT

WE have seen in a previous chapter how the co-operative movement in Ireland owed its first development to a happy combination between Sir Horace Plunkett and the Co-operative Union; we have traced the natural process by which the agricultural co-operators of Ireland gradually withdrew from the English industrial movement, and have followed in detail their history and progress. In order to complete the picture it remains to sketch the development of industrial co-operation in Ireland, the differences of opinion which have arisen, and the possibilities of closer relationship which the future has to offer.

The separation of the I.A.O.S. from the Co-operative Union was rendered almost inevitable by the circumstances. The old controversy between the individualists, who believe in the organization of man in his productive capacity, and the federalists, who refer everything to the standpoint of the consumer, arose here in its most acute form. The question might have been definitely settled had the whole of the work lain either in England or in Ireland, or had England been less predominantly industrial, or Ireland less absolutely agricultural. As it was, the difference between the two schools of thought was accentuated by geographical barriers, by racial, temperamental and political difficulties, and even by a certain degree of class feeling—for the organization of poverty-stricken agriculturists in Ireland could not proceed upon the democratic basis of the English movement, and the motive of "landlordism" was freely imputed.

Yet the two bodies might have worked side by side, each in its own sphere, with mutual benefit, had it not been for an unfortunate conflict which arose. Before the pioneers of agricultural co-operation began their work in Ireland the Co-operative Wholesale Society of Manchester had seen the possibility of that country as a source of agricultural produce, and had established an agency there for the buying of supplies, notably butter. During the first four or five years of the work preliminary to the foundation of the I.A.O.S., the attitude of the C.W.S. was friendly, and its chief agent in Ireland, recognizing the value of creameries in improving the output of butter, gave considerable assistance in organizing them. But the C.W.S. had to consider primarily the interests of the consumers for whom it existed, and only concerned itself in a less degree with the welfare of the producer. Thus while the Co-operative Union was genuinely desirous of spreading the doctrine of co-operation in Ireland, the C.W.S., as its buyer, Mr. Stokes, frankly stated in a speech to Congress, was only anxious as a matter of business for the establishment of creameries, "co-operative or otherwise," from which it might draw supplies.

In these circumstances friction was certain to arise. The formation in the early days of 1895 of the Irish Co-operative Agency Society, with a depot in Manchester, must have presented itself to the agents of the C.W.S. as a direct challenge to their prospects of unfettered buying in Ireland, and caused them to feel the new movement as a competitive menace rather than an addition to the co-operative ranks. Co-operators are only human, and they value their business perquisites as highly as other men. The C.W.S. was almost committed to a policy of self-defence. Unfortunately, in the same year, a creamery at Castlemahon, which had been organized by the I.A.O.S. and had been supplying the C.W.S. with butter, fell into a condition of absolute collapse. The reason seems to have been the inefficiency of the committee, who, according to Mr. Anderson, spent their time squabbling over

political matters instead of attending to the manufacture of butter.* When it was seen that there was no hope of the creamery being revived, and that it would probably be sold, the C.W.S. stepped in and leased it for a year, after which, having given the farmers an opportunity to resume control, and having found them unwilling to do so, it bought the creamery outright, and proceeded to run it on ordinary proprietary lines. Having taken this step, the English co-operators saw no reason why the practice should not be extended. The C.W.S. announced its intention of establishing three or four more creameries in various parts of Ireland. To the leaders of the I.A.O.S. this seemed a flagrant attack upon the agricultural movement. A creamery owned by the C.W.S. did not provide Irish farmers with any opportunity for practising improved business methods, or for learning the great lesson of mutual help and democratic control. In fact, a farmer dealing with such a creamery was no more co-operating than when he dealt with an ordinary merchant, and was not in a position to get any better terms except in so far as the spirit of the C.W.S. might be better than that of the average trading company. The Irish section of the Co-operative Union, which was then dominated by agricultural co-operators, protested vigorously, and a pitched battle was waged in the Congress of 1895. Irish co-operators found many supporters in the English movement. Those members, in particular, whose interest in co-operation proceeded rather from idealism than from practical necessity tended to identify themselves with the individualist policy, and looked with apprehension on the all-embracing ambitions of the C.W.S. Prominent among these were such men as Mr. Greening, Mr. Wolff, and the celebrated Judge Hughes. But the speech of Mr. Stokes carried great authority with the rank and file, and after a heated discussion the C.W.S. came out victorious. As a natural result the same policy was continued, and a source of

* This appears to be the only case in the history of the I.A.O.S. in which political dissensions have been fatal to a society.

friction created which led to the speedy separation of the I.A.O.S. from the Irish section of the Co-operative Union, although the latter body remained on friendly terms with the agricultural co-operators long after the breach with the C.W.S.

These happenings were disastrous enough, but the terms in which the controversy was conducted were even more unfortunate. As these events are well within the memory of a large number of persons who are still leaders in the movement, and the scars seem now to be happily healing, it would be highly inexpedient to revive bitter memories by quoting the heated speeches made at Congress, or the violent letters and leading articles which appeared in the columns of the *Irish Homestead* on the one side and the *Co-operative News* on the other. Many motives were imputed to either party which certainly never existed in the minds of the great mass of co-operators. The facts also were variously represented, probably not from any desire to deceive, but because they were not thoroughly known.

There is no need to dwell on the history of these creameries. For two or three years their number increased until there were altogether about twenty. Many were undoubtedly established in places where co-operative creameries might have been organized, while others overlapped the territory of existing societies and competed with them for supplies of milk. At first the C.W.S. had no difficulty in establishing them. In fact, it was one of the arguments used at Congress that the farmers actually invited it to do so—to which Sir Horace Plunkett and Mr. Anderson retorted that in the beginning Irish farmers were so unused to combination that they themselves on going into a district had often been implored to start a creamery of their own instead of organizing a co-operative society. But as the propaganda of the I.A.O.S. began to gain ground, and the co-operative creameries became really successful, the pressure on the C.W.S. concerns increased tremendously, and their owners began to realize the serious difficulties of doing business with Irish farmers from a

distance in competition with organized bodies which enjoyed all the advantages of co-operative association and of the supervision of the I.A.O.S. The balance-sheets showed increasing losses year by year, the consumers began to get restless and to suggest that this was an expensive method of acquiring butter, and finally the C.W.S. decided to retire from the contest. Negotiations went on for some years with the I.A.O.S., and although there were many misunderstandings, a transfer of all the C.W.S. creameries to co-operative societies is gradually being effected.* The selling price is arrived at by agreement between the society and the C.W.S. through the mediation of the I.A.O.S. The Scottish Co-operative Wholesale Society has been less willing to retire, and still owns a group of creameries in the North of Ireland which are a thorn in the flesh to the local co-operative societies.

We have stated the reasons which led the I.A.O.S. to regard the establishment of the creameries as an undesirable intrusion on their territory. The supporters of the C.W.S. claim that they went into the business with the object of helping the Irish farmer to raise his standard of production, and to obtain better prices, and many of them still believe that the Wholesale Society spent £100,000 (the amount which is alleged to have been lost in this venture) in a laudable attempt to bring the benefits of co-operation to Ireland, and received scant gratitude in return. To agricultural co-operators this view seems distorted, but there is no reason to doubt that it is perfectly genuine. It is satisfactory to note that the bitterness which existed so long has been rapidly dying since the outward and visible sign was removed. It probably received its final death-blow when the Co-operative Congress was held in Dublin in 1914 for the first time. This Congress was attended by all the leaders of the agricultural movement in Ireland, and a good deal of its time was devoted to the question of

* There remains now only the Central Creamery at Tralee, with three auxiliaries. These are retained by the C.W.S., as they can be conveniently worked in connection with the bacon-curing establishment which that body owns in Tralee.

interworking between urban and rural co-operators. This scheme has been earnestly taken up on all hands within the last two or three years, and the moment seems to be at hand when the two branches of the movement may join forces in some matters to their great mutual advantage.

The history of the development of industrial co-operation in Ireland which has taken place independently of the I.A.O.S. need not detain us very long. We have already described the manner in which Mr. Gray of the Co-operative Union was sent to Ireland in 1888 and there came into touch with Sir Horace Plunkett and helped to give the first stimulus to all the subsequent work. In his report to Congress, Mr. Gray described some thirteen societies as comprising the whole field of co-operation in Ireland. Of these hardly one was in a condition which inspired confidence. Some, like Sir Horace's pioneer society at Dunsany, were organized under the Companies Act and paid their dividends on capital; others, like Belfast and Lisburn, were in earliest infancy and somewhat doubtful of the future, and yet others, notably the Dublin society, which owed its foundation to the enthusiasm of Dr. Knox Denham, were constantly in trouble caused by the ignorance or irresponsibility of their committees. The combined turnover was almost negligible. Worse still, there was no sort of cohesion; the societies were scattered units owing their existence, as a rule, to the presence in the locality of some migratory co-operator or some economic experimentalist, and barely conscious of the existence of one another. Co-operative principles were differently interpreted in different societies, and as a whole there was little faith or enthusiasm and no nucleus for propagandist effort.

On the recommendation of Mr. Gray, the North-Western Section of the Co-operative Union, in whose district Ireland was supposed to lie, undertook the task of bringing more life into the movement, and the various existing societies were approached with this end. Only one or two, among which was Sir Horace's,

seem to have responded. But the enthusiasm shown by Sir Horace, Mr. Anderson and one or two others led to the formation of a distinct Irish section. We have seen how this section speedily decided to abandon the programme of founding stores and to confine its activities to agricultural co-operation. It was gradually merged into the I.A.O.S., and automatically dissolved when the break with the C.W.S. and the divergence of policy made it necessary for the Co-operative Union and the I.A.O.S. to separate their forces.

Since that time the organization of co-operative stores of the Rochdale type in the urban areas of Ireland has been in the hands of the Co-operative Union, acting either through the North-Western Section or through an Irish Sectional Board which has been constituted under the name of the Irish Co-operative Conference Association. The I.A.O.S., however, recognized after a few years that in certain country districts it was desirable to have this type of organization, and a good many small general stores were added to the creameries and agricultural societies. The need of such stores is increasingly felt throughout the rural areas, but there is little chance for the officials of the Co-operative Union to cover ground which is at once so extensive and so unfamiliar to them, and now that the I.A.O.S. is debarred by the restrictions which we have already discussed the want seems likely to go unfulfilled. Fortunately, however, no Government grant can prevent a society started by the I.A.O.S. from branching out subsequently into the purchase of tea, sugar and other groceries, and this development is taking place to a very large extent. Furthermore, the I.A.W.S., not being affiliated to the I.A.O.S., and thus subject to the restrictions, is in a position to give help and encouragement to such bodies in addition to supplying their necessary stock in trade.

To return to the more purely "industrial" societies, no one will envy the officials of the Irish Co-operative Conference Association the task of promoting this movement in Ireland during the last

thirty years. Mr. Gray, as we have noted, reported thirteen societies in 1888. The statistics of the Co-operative Union for 1916 show thirty-eight societies with a combined turnover of over £700,000. Of this turnover, however, the Belfast society alone is responsible for £420,000. The next largest is Lisburn with £52,000, and there are only four others whose annual trade runs into five figures. Excluding Belfast and Lisburn the profits available for distribution were not more than £7500. Of the thirty-eight societies it is safe to say that not more than half are really prospering, and of these at least two arose out of the agricultural movement. The record is hardly an encouraging one, but there is no reason to blame either the Union or the principles of the movement. Circumstances in Ireland are not in any way suitable to a great development of co-operative stores unless they are scattered throughout the rural districts as they are in Denmark. Almost all of the thirteen hundred centres in England and Scotland where the distributive movement flourishes offered a better field for organization than any place in Ireland, with the exception of ten or twelve towns in the north-eastern counties. Not only is a large town required, but one in which there is some manufacture or staple industry maintaining a population which is more or less free to do as it likes outside working hours. Ireland has practically no large towns, and all the towns there are, with one or two exceptions, are centres of distribution for the surrounding farmers; thus their population is all either employed by shopkeepers and publicans, or belongs to the minor professional ranks, and out of such a population it is patently impossible to form a co-operative store. The only way it can be done is for the farmers, who have the money and the independence, to take the first step, and let the townsfolk follow.

A glance at the list of the existing societies and the figures of their trade will bear out this contention. Belfast, where conditions are far more similar to those of Great Britain than any other place in Ireland, has nearly 15,000 members, and its turn-

over seems likely soon to reach £500,000, and to keep on increasing. Lisburn, a much smaller place, but subject to the same conditions, has done equally well, or perhaps better in proportion. Co-operation seems well rooted on a small scale at Portadown, Armagh, Dundalk, Enniskillen, and one or two other northern towns. For the rest, Enniscorthy and Templecrone are primarily agricultural societies, while Greenore, Rosslare and Inchicore owe their stability to the railway workers, who compose almost the whole of their membership. In Dublin the vicissitudes of co-operation have been many, but it seems at last as if a strong development might take place. Here, as in many other parts of Ireland, extreme poverty, which Mr. Gray reported in 1888 as being a prime obstacle to the growth of co-operation, is still a deterrent.

War conditions have increased the appeal of the co-operative store very greatly, and the movement is exciting interest in quarters where it has been accustomed to meet with indifference or contempt. This tendency has been particularly noticeable in Ireland, and appeals for the starting of stores continually reach both the I.A.O.S. and the I.C.C.A. from all parts of the country. The circumstances in most of these places being such as we have described, the opportunity cannot be turned to really profitable account except by joint working between the two organizing bodies.

The most casual consideration of the facts as recorded will inevitably suggest that the harmonious growth of the co-operative movement in Ireland has been very much retarded by the separation of agricultural and industrial interests. The clash between the C.W.S. and the I.A.O.S. must be held responsible as the first cause, and the acceptance by the latter of the Government grant, with its restrictive conditions, as the second.

The first difficulty has died out almost entirely; the second will be automatically removed as soon as the societies affiliated

to the I.A.O.S. grasp the advantages which they will gain by fulfilling their obvious duty of making this body self-supporting.

There are two directions in which improvement is urgently required—first, in the matter of organization; and, secondly, in the matter of intertrading. The first is comparatively a minor problem and can be easily disposed of. We have already described the difficulties which beset the I.C.C.A., and shown that co-operation can only be successfully introduced into small Irish towns by starting with a farmers' society. An unsuccessful attempt to start a store among the townspeople results in a reaction against co-operation which affects the agricultural population as well. Evidently there is great need here for consultation between the I.A.O.S. and the I.C.C.A. before fresh ground is broken in any such district. If the I.A.O.S. were free to organize stores it would no doubt be considered the proper body to do so in the real country places where it has started them in the past; but it would never aspire to take out of the hands of the Co-operative Union the supervision of such purely industrial societies as Belfast and Lisburn. There would seem, therefore, to be room for a common council in Ireland to deal with questions of organization where there was a possibility of overlapping. With greater freedom for the I.A.O.S., the I.C.C.A. might easily become such a council. Already, Mr. Harold Barbour, who is thoroughly sympathetic with both sides of the movement, has done much to bring about this result, and it is satisfactory to note as a sign of progress that one of the organizers of the I.A.O.S. has been elected to membership of the I.C.C.A.

A far greater problem is presented by the need of creating a satisfactory system of intertrading; in fact, it may be argued that the future strength of the co-operative movement in the United Kingdom will be largely affected by what is done in this direction.

The disinterested observer will certainly arrive at the conclusion that the weakest point in agricultural co-operative policy lies

in the failure to trace its products right through to their ultimate destination. The claim is made that co-operation not only effects economies of production and handling for the producer, but also, by the elimination of the middleman, eases the burdens of the consumer. If this claim is to be substantiated, it must be possible to show that a pound of butter made in a co-operative creamery is likely to reach the consumer at a more reasonable price than one made in the ordinary butter-merchant's factory. No such state of things exists at present, except perhaps in a limited number of cases where agricultural societies sell direct to industrial societies. Obviously it will not exist so long as creameries dispose of their produce to the ordinary wholesale or retail trade. In the first place there is every inducement to the producers to take full advantage of the highest prevailing market price, and, secondly, there is no reason why the provision merchant, if he were so fortunate as to obtain butter from co-operative sources at a low price, should give the advantage of this to his customers. Even if from a motive of competition or forbearance he were to do so, he would certainly not advertise the fact that he was enabled to make the reduction because of the development of the co-operative movement.

Direct dealings between co-operators would seem to be the only way to meet this difficulty. Theoretically those who practise the same faith ought to be able to do business together in a spirit of compromise which would be mutually beneficial, and to halve the surplus which they are saving by dispensing with the middleman. But in practice the manager of a creamery is bound to do all that he can to get the maximum price for his butter in order to give satisfactory returns to the milk-suppliers who employ him, while the committee of a distributive society are equally bound to buy as well as they can in the interests of the consumers who have elected them with the distinct understanding that they will bring about an economy in the cost of food. The problem is further complicated by the deep-rooted suspicion which so often

exists on either side: the farmer dreads the supposed trickery of the townsman, the townsman complains of the extortionate practices of the farmer. This human element is the hardest factor to overcome; it is not removed, in fact it seems almost strengthened, by organization on either side, for people are apt to act more forcibly under the protection of corporate existence than they would as individuals. It is unfortunate and perhaps disappointing, but nevertheless true, that the co-operative producer and the co-operative consumer comparatively seldom do business with one another on co-operative lines, as things are constituted at present.

When we look for a solution we are brought once more face to face with the old conflict of individualism and federalism, which we have already referred to as being the underlying cause of the trouble between the C.W.S. and the I.A.O.S. It is a burning question at present in England whether the independent co-operative factories, mills and workshops should continue to exist and sell their products to co-operative societies or any other customers, or whether all these functions should be taken over by the C.W.S. There is a great pressure on the leaders of the movement to extend the control of the sources of supply. It is universally recognized that co-operation will not have realized its full strength until it has this control, and the question has been made more urgent by the conditions of war. Any attempt to control sources of supply must include the acquisition of land, and in consequence we find that the English and Scottish Wholesale, and a certain number of the larger individual societies, are buying or renting farms and producing their own milk and butter and other agricultural requirements. The total acreage thus farmed in 1915 was 14,000 acres, and a rapid increase is taking place. This development is, of course, directly in opposition to the interests of agricultural co-operative societies. It represents a triumph for the federalist school—a decided step in the direction of carrying out all organization from the point of view of the

consumers' interests. However much idealistic considerations may make for adherence to the views of the individualist school, the hard facts must be faced. Co-operation will not grow into an ordered system, able to influence the whole economic life of the country, until it has eliminated conflicting interests. If it is admitted that the interests of the producer and the consumer conflict, and that one or the other must give way, it is surely evident that one must be the producer. Every man is a consumer, and, therefore, a form of organization which leads to all consumers being fairly treated would be an ideal one. The co-operative commonwealth, when it comes, must be a State of this kind, in which justice is done to every consumer, and production is undertaken under the control of and in proportion to the needs of the community. So much was foreseen by Robert Owen and his colleagues in the earliest days of labor organization. But complete justice cannot be done in this way until the co-operative community includes every one. That state appears to be as far off as the millennium, and meanwhile, although it is useless to try and stop the acquisition of land by distributive societies, some practical steps should be taken to promote better relations between producers and consumers. Even if the federalist idea prevails, the two different types of society will continue to exist side by side for many years to come, and from considerations of business as well as of goodwill every effort should be made to bring them together.

There is a practical manner in which this can be done, and the machinery for giving effect to it is being used in Ireland already. If the local agricultural and industrial societies cannot sufficiently adjust their points of view to do business with one another, the balance can be adjusted by a wholesale society to which both are federated. Education will no doubt result in the course of time in convincing the co-operator that the interests of the consumer and the producer are identical; for if the consumer of butter is made to pay too much for it the reflex action will be

for the demand to fall off, and ultimately the farmer will find himself unable to buy as much tea and sugar as he requires. But before the masses are educated up to the point of perceiving this perpetual process of exchange, their business guides ought to be able to make use of it. A co-operative wholesale society, in fact, should regulate the exchange of commodities between the two parties.

The Irish Agricultural Wholesale Society, largely owing to the insight of its present chairman, Mr. Barbour, who has had long experience of both branches of the movement, has grasped this opportunity. The societies of which it is the trade federation include industrial stores as well as creameries and agricultural societies; thus it is in a unique position for keeping the balance between them. An agreement has been arrived at by which the English and Scottish wholesale societies undertake not to overlap with the I.A.W.S., and to refer all newly formed societies in Ireland wishing to trade with them to that body. As the I.A.W.S. is managed by directors appointed by the federated societies, these directors are in a position to represent both the interests. Theoretically, therefore, the difficulty is solved, but in practice there is a great deal more to be done. Three obstacles stand in the way. In the first place, the balance in numbers and trade of the Irish societies is overwhelmingly in favor of agricultural co-operation, and the I.A.W.S. must, therefore, be largely dominated by these societies. Secondly, the federation is not sufficiently capitalized even for its agricultural business, still less to deal with the grocery trade of large industrial societies. Thirdly, it is not at present in a sufficiently strong position to be able either to offer the most attractive market to the agricultural societies or to bind them to sell through it.

These three difficulties are largely interconnected, and it would seem as if the solution of them lies in a closer connection with the English and Scottish movements. The turnover of the distributive societies in Ireland, urban and rural together, exclusive

of the trade in agricultural requirements, will soon total fully £1,000,000, while the creameries alone are disposing of butter and eggs valued at £3,500,000. The English and Scottish societies ought to be able very easily to dispose of this amount of butter and eggs, not to speak of the bacon, meat, potatoes, honey, poultry and other agricultural produce which they might get from Ireland. And the English and Scottish wholesale societies might use the I.A.W.S. as source for these supplies. In return they ought to be in a position to enable it to cater for the £1,000,000 of distributive trade and any increase which may take place. As it is, however, the trade of the I.A.W.S., although it has been increasing in the most satisfactory way year by year, has barely reached half a million, and of this the greater part is made up of the sale of fertilizers, feeding-stuffs and machinery. The sales both of the grocery department, on the one hand, and of the agricultural produce department, on the other, are comparatively speaking very small. It is thus evident that several million pounds' worth of trade which should pass entirely through co-operative channels is now passing outside the control of the movement. This situation can hardly be remedied until the leaders of co-operation in England give their attention to it, and recognize the proper value of Irish agricultural co-operators and, above all, of their trade federation.

As we have pointed out above, circumstances in Ireland are not favorable to the development of industrial co-operation on a large scale. The balance of power on the directorate of the I.A.W.S. is not likely to be equalized in this way, although with the lapse of time and greater freedom for the I.A.O.S. the growth of rural stores may lead to a greater keenness among agriculturists for the distributive side of co-operation. But without waiting for this to happen, the position would be considerably improved if the C.W.S. and the S.C.W.S. so extended their policy with regard to overlapping as to cause all existing societies in Ireland to do their business through the I.A.W.S. The trade of the Belfast

society is at present greater than that of the federation; its capital is considerably greater. The I.A.W.S. could not handle at once all its trade, but it seems a pity that such a development is not aimed at, so that the full forces of the Irish movement could be combined. At the same time the question of capital, in which the I.A.W.S., primarily an agricultural federation, is weak for reasons we have discussed in another chapter, can only be settled when such societies as Belfast are able to join in supporting it. A vicious circle seems to arise—these large societies cannot support the federation until it is able to do their trade, and it cannot do their trade until it has the capital which they alone can supply. The question then arises whether the C.W.S. cannot be helpful here also.

At first sight it may seem an extraordinary suggestion that the great English federation should not only voluntarily surrender part of its trade, but also proceed to finance the competitor to whom it has made the surrender. But, aside from the fact that to act for the greatest good to the greatest number is the essence of co-operation, the C.W.S. should have a great deal to gain by thus strengthening the hands of the I.A.W.S. For in this way it will put the latter body into a position to act as its agent in the collection of the large quantities of good, reasonably priced, home-grown produce which Irish co-operators have to offer and which the members of English co-operative societies must be anxious to obtain. At present, as we have seen, creameries in Ireland are too often competing with one another in the sale of their produce to merchants in London or Glasgow. The managers are frequently chosen for their skill in salesmanship, and are jealous of their prowess in that direction. As a consequence both the agency and the butter department of the I.A.W.S. suffer from receiving a good deal of inferior butter, and from being regarded with an unfriendly eye by those creamery managers who are accustomed to force the price. Something of the same state of things, to a rather less degree, obtains in regard to eggs. Meanwhile, with the

exception of two or three bacon factories, and the meat supplied from Wexford, co-operative sale has never taken root in Ireland for any form of produce except butter and eggs and a small amount of poultry. All this might be altered if an honest, continuous and attractive market were provided. This market exists already in the thousand-odd English and Scottish artisans' societies, but it is almost entirely unexploited. The C.W.S. and the S.C.W.S. as the federations of these societies ought to search out the producer who combines readiness and capacity to supply their market with the advantage of adherence to the same co-operative faith. They have tried to do this, as we have seen, by absorbing this producer into their own mechanism. The results have been, and always will be, in the near future at any rate, disastrous. The difficulties which that policy caused were a very obvious reason for reluctance to attempt intertrading during a period of several years. But now that the bitterness has died down, and the two movements understand one another better, the time is ripe to make a new attempt to gain the same ends by a different policy. That policy must be based on a dual recognition—the recognition of the independence of the organized producer, and the recognition that Ireland, apart from all political considerations, is economically a unit in herself. Both these are summed up in generous recognition and support of the I.A.W.S. The support must be generous and must not be regarded as a preliminary to annexation, or further disaster will follow.

We have permitted ourselves to stray perhaps overfar into visions of the future. A great deal of hard detailed work will be required before anything of this kind can be accomplished, and it seems the most important task which lies before co-operators of the United Kingdom as a whole if their larger ideals are to be accomplished. The stress of war has both revealed a need and provided an opportunity for a great reconstruction; the various branches of the movement show unmistakable signs of responding. It will be a pity if they all carry out their reconstruction

separately, for the most pressing need is that for a common council which should act as a permanent consultative and arbitrating body, with representatives from the Co-operative Union and the three Wholesale Societies, the three Organization Societies, the Labor Co-partnership Association, and the Co-operative Productive Federation. Perhaps other bodies of organized labor and industry, less directly co-operative, might in time seek representation on it. Such a council would have plenty of large problems concerning the position of producer and consumer, of employer and employee, within the movement, to tackle, but it should not be beyond its power to find a solution for them.

As a first step we would hope that it would recommend the establishment of a small and practical intertrading committee to bring about the exchange of goods on a large scale between the English and Irish societies through the medium of their federations, and that it would allow this committee the control of sufficient capital to put this exchange upon a businesslike basis. We feel sure that the interest on such capital would be well and speedily earned, while the educational and social benefits would be incalculable. No doubt there would have to be a good deal of patience and tolerance shown for a few years; the most optimistic person could not claim that the Irish producer is at present as well versed as he might be in modern business method. But that is largely because he has never been well enough treated to allow him to see the advantages of the better way. He has an ample measure of intelligence to respond if the right stimulus were applied. If the co-operative movement cannot manifest the patience and tolerance required in order to bring about a practical extension of its own principles, it must be admitted to have fallen from its high estate. The menace of materialism is always upon a successful movement where business and ideals have to be blended; there are some who claim that it has already triumphed over the original aspirations of Owen's pioneers, or of the Christian Socialists. The skilful handling of this great problem will

provide an opportunity of proving them false prophets, and no better time for grasping the opportunity is likely to present itself than the period of labor and re-creation which must follow in the train of the world's stupendous conflict.

CHAPTER XIV

THE ECONOMIC RESULT OF THE CO-OPERATIVE MOVEMENT

SINCE the beginning of the co-operative movement in Ireland the economic and social conditions of the country have measurably improved. It has not been easy to change in this short period the tendencies which previously prevailed. Ireland remains, even in 1917, a country comparatively poor and comparatively backward. Indeed, when we remember the many evils which had existed, the achievements of the past quarter-century may seem to lie more in the checking of retrogression than in actual progress. The application of brakes on the down grade was a necessary preliminary to the climb toward the ever-retreating goal. Nevertheless, there are a number of evidences that the crisis of the 'eighties has been successfully averted, and that Ireland in the new century is traveling forward with an accelerating pace to that more happy and prosperous condition which the potentialities of the country and of its people have ever held in store. Before inquiring into the particular economic and social benefits which the co-operative movement has conferred upon the country, it may be of advantage to indicate some of the more patent evidences of this change.

The outstanding fact of Irish economic life during this period has been the revolution in the system of land tenure, which we have already considered. In place of a few comparatively large landowners with many tenant farmers there are now thousands upon thousands of peasant proprietors into whose hands nearly three-quarters of the soil of the country has passed. While this

diffusion of wealth and property was of the greatest importance from an economic as well as a social point of view, the returning prosperity in agriculture which it betokened and encouraged was even more significant. Setting aside for the moment the improvements in the organization of production and distribution with which the co-operative movement has been primarily concerned, there has apparently been a significant increase in the aggregate agricultural product of the country. This has occurred despite the constant emigration from the rural districts and a continued diminution in the agricultural population. The figures for exports and imports, which are, of course, only a single indication of the situation, show a large increase during the short period for which they are available. In addition, the movement for the use of Irish goods in Ireland has added to the home consumption, even of agricultural produce.

To these facts of an increasing production and a more equitable distribution of property are to be added the evidence of greater material comfort within the country. The deposits in Irish banks, which have always been much larger than the condition of the country seemed to warrant, have grown with astonishing rapidity during the last few decades. This increase has been most marked in the Post Office Savings Banks, which collect, not from the wealthier classes, but from the poorest. Also, the co-operative credit societies, as we have stated, have found some of their capital in the districts which they serve. The existence of this large amount of capital in Ireland which should be available first and foremost for the development of Irish industries, is of great importance. As the country becomes prosperous it will more and more be invested at home. Meanwhile the housing conditions in the country have markedly improved. Whereas in 1891 60 per cent. of the dwellings were classified in the third and fourth groups, in 1911 this figure had been reduced to 28 per cent. The change has been largely due to a number of Acts from 1883 to 1911 providing for allotments of land and dwellings for agricul-

tural laborers. The rural district councils were given powers to borrow, with the consent of the Local Government Board, from the Commissioners of Public Works, and later from the Land Commission, for these purposes. Various subventions for the discharge of these indebtednesses were provided. Under these provisions over 40,000 cottages have been built. The contrast is remarkable. In place of miserable hovels are to be seen rows of pleasant cottages, each with its own plot of land. But while legislation has accomplished much in this direction, it is clear that such a complete change could not have occurred without the co-operation of the people, and a greater prosperity alone could enable them to make effective use of the facilities thus provided.

Finally, emigration from Ireland has now reached a point at which it can no longer be considered a symptom of pathological conditions. At the present time, or rather just before the outbreak of war, the rate of emigration from Ireland was hardly more than that from Great Britain itself, and even this diminished stream continued, not on account of conditions at home, but rather through the encouragement of those who had already gone. For the moment the country has reached in the matter of population an unstable equilibrium, soon, no doubt, to be followed by the healthy sign of increasing numbers. The various constructive measures of the last half-century have definitely checked the downward tendency to which long years of unfortunate government and an inefficient economic organization had given such momentum.

Legislation has undoubtedly played a large part in these results. The Land Acts, the Congested Districts Board, the Agricultural Laborers Acts, the Department of Agriculture and Technical Instruction have been potent influences in this reconstruction. To them are to be attributed in large measure these more apparent changes. But legislative measures can never form more than a part of any comprehensive programme of social reform. They may remove the more obvious hindrances to progress, but

from their very nature they cannot—and this applies particularly in Ireland—effectively encourage individual self-development. The Land Acts might create a system of peasant proprietors; they could not ensure that this would mean greater prosperity and happiness. The formation of the D.A.T.I. might introduce a much-needed system of agricultural education; it could not make that education effective or ensure that from the increased product the farmer would obtain an increased return. These matters depended rather on the co-operative movement, which so organized the interests of the community on a voluntary basis as to secure the greatest individual development and self-expression, forming in this way the keystone in the rural reconstruction of Ireland. Legislation has been rendered really effective and has succeeded in improving social and economic conditions through the co-existence of co-operative societies. Community organization, primarily for trade and industry, but eventually for widening and enriching individual life, has been a fundamental necessity. Even as the co-operative movement was handicapped by the absence of certain governmental activities, so those activities could not have been carried on successfully without the co-operative movement. The element which was essential for a permanent and complete development in Ireland, namely, the encouragement of individual energy, independence and self-reliance, was to be found chiefly in that movement.

The more detailed consideration of these social and ethical results is, however, reserved to the following chapter; here it is necessary to describe the material gains which have been brought about by the existing co-operative societies. A summary of the facts concerning them will indicate some of the solid economic advantages upon which the success of the movement so completely depends. The statistics for 1915 show a total of 991 societies, with a membership of 102,591. While in some cases a person belongs to more than one society, this figure roughly represents the extent of the co-operative movement in Ireland.

No section of the country has ignored the value of the movement, and although the achievements have been greater in certain districts than in others, this has been due more largely to accidental circumstances than to any failure of the co-operative principle. Leinster, with its large grazing deserts and thin population, has been the most difficult problem, but progress, though delayed, is now rapid. The rich valleys of Munster have always been fertile ground for co-operative creameries, but in Connaught and Ulster success has been equally great. The most obvious indication of the value of the movement in Ireland is to be found in this general acceptance of its principle and method throughout the country.

These thousand societies have altogether a paid-up capital of nearly £225,000, and their business is to this extent the property of the Irish farming community. While the investment has been made by individuals, it is really social wealth; for the activities of a co-operative society benefit the entire community. On the other hand, the amount of loan capital is even larger, and as we have pointed out, one of the ways in which the movement can be strengthened is by the provision of a larger proportion of its capital from within. Only when the co-operative societies are entirely independent of this form of assistance can their highest ideals be realized.

The total turnover of all the societies for 1915 was £4,657,000, and for the entire period from 1889, £39,524,705. These figures indicate that the co-operative movement plays no small part in the economic life of the country, and, moreover, that its importance has steadily increased. In no year has there been a real decrease either in the number of the societies or the amount of business which they have done. The net profit for 1915 amounted to £83,000, while losses, incurred by a small number of societies, reached £800. The total net profits from the beginning of the movement have continuously grown, although they never reached a high figure, owing to the non-profit-making objects of the

societies. Out of them, £290,000 has been set aside as reserves, indicating that there has been very little distribution, except for the payments on share capital. Most societies, in fact, allocate their entire profit to reserve, a practice which has involved the movement in considerable difficulties, though at the same time it has much to recommend it. Had the industry of Irish farmers not been arranged upon a co-operative basis, these profits would undoubtedly have been absorbed by the capitalist entrepreneur.

Yet these statistics, however accurate—and it must be admitted that they are not as complete or exact as might be desired—furnish only a partial indication of the material achievements of co-operation in Ireland. For a better basis for judgment it is necessary to consider the features of this method of organization which promote economic gains. The co-operative society ensures to its members, and indeed, through the effective competition which it offers, to the community as a whole, the full product of their labor. The chaotic nature of business organization in the rural districts of Ireland has already been indicated. The existence of a parasitic middleman class was a constant drain upon the producing elements in the population. Charles Booth pointed out in an analysis of the occupational statistics of Ireland (1891) that an unusually large proportion was engaged in trade or commercial pursuits. It was said that Irishmen were tending more and more to live “by taking in each other’s washing.” The co-operative system reduces this class in two ways: it facilitates more direct trading, and it eliminates the wastes of competition. Thus the farmer has been assured of securing his necessities as a producer, the raw materials of his industry, on the cheapest possible terms. In his agricultural society he procures the fertilizers, seeds and feeding-stuffs, formerly supplied by the country shopkeepers at their own prices, at wholesale rates. It was not so much, perhaps, that these middlemen were exacting exorbitant prices which gave them an extremely large return for the service rendered. The temptations of a monopoly position, and the igno-

rance of their clients, encouraged some in that direction. But in the co-operative society the trade for these requirements was organized, and so could be carried on more efficiently. In the first years, many societies were able to report a diminution of 50 per cent. in the cost of their manures. Seeds and feeding-stuffs, likewise, could be secured at much lower rates; and what was perhaps even more important, quality was guaranteed. Furthermore, as a producer of raw materials or food-stuffs, the farmer is protected by his society from the excessive levies of the middleman. The co-operative creamery pays him for his milk on the basis of the payment secured for the butter and cream produced; the proprietary concern only enough to encourage him to maintain his supply; and this usually means a considerable advantage in favor of the former. So in meat-dressing societies, in egg societies, the farmer is more likely to receive the full product of his labor; that is, others do not have an opportunity to exact unearned profits on the way. He may not get all to which he is entitled—there are many gaps in the co-operative structure—but he gets more than he would otherwise. If he wishes a loan for a productive purpose, his co-operative credit society can supply it at a reasonable rate, saving him from falling into the clutches of the ordinary loan shark, and capitalizing his reputation for honesty in the community. Finally, when the society conducts a general store, the member is protected as a consumer. He will get full value for his money, and since this last step may bridge the worst pitfall of all, he will not be safe until he has taken it. With complete co-operative organization as the leaders have pictured it, the individual farmer will be protected from all outside levies. The accomplishment of the movement in this direction is its most powerful claim for the support of the Irish people.

These advantages have been shared by practically all classes. Unlike industrial co-operation in England, the co-operative

movement in Ireland has not been confined to a special group. ~~Large farmers as well as small~~ have profited from the operations of the societies. Even in the credit societies which are formed primarily for small-holders, the more wealthy have joined in an effort to help their fellows. More than the English movement has ever been, or ever seems likely to be, co-operation in Ireland has been on community or neighborhood lines. It is not a class affair. This is due in large measure, no doubt, to the industrial homogeneity of rural districts. The greater proportion of country dwellers are farmers, or depend on the prosperity of farmers. For this reason they have all given their support to the co-operative movement. In cities, on the other hand, there are many different occupational groups, and class divisions cover a wider range of activities. Industrial co-operative societies have, therefore, been class associations. The well-to-do or upper middle class, and those on the poverty line, have never joined. Even in attempts which have been made under the pressure of war conditions to form societies in the upper middle class, other groups of the population have shown no disposition to join. The co-operative movement in cities has never overcome class lines; in the country it is a true democracy.

This democracy is encouraged by the diffusion of wealth which is stimulated by co-operative organization. There is no more unjust fact in the present organization of society than that "to those who have shall be given, and from those who have not shall be taken away even that which they have." "The curse of the poor is their poverty," while the wealthy man derives additional wealth from the very position which he occupies. By co-operation the poor farmer shares equally with the large the advantages of large-scale buying; he is not penalized for his poverty by having to pay excessive prices; he is not prohibited from taking advantage of the more efficient methods of production which are possible with the use of expensive agricultural machinery. The

co-operative democracy at least checks the tendency to penalize poverty. That it does more we hope to prove later.

It must be admitted that one class of the agricultural population in Ireland, and that the most poverty-stricken and depressed class, has gained little from the co-operative movement. The Irish agricultural laborer, like his prototype in all countries, has been left in a back-eddy out of the current of social reform. He has been inarticulate and unorganized, and for the most part has gained little from the forces which have measurably improved the conditions of his fellow-creatures. It is perhaps one of the greatest weaknesses of the Irish co-operative movement that it has done so little in this direction. Not that the amelioration of any one class does not react to some extent on the rest of the community. The increased prosperity of the farmers which has been secured through the activities of co-operative societies has to a slight extent been shared by the agricultural laborers. The average wage of this class, which in 1910 had been 11s. per week, rose by 1916 to 15s. Yet this advance, which has hardly kept pace with the increase in food prices, indicates how little has been really accomplished.

Nevertheless, co-operation would seem to be among the most helpful agencies for the improvement of this class. In the first place, the tendency to create rural industries—a matter to which we shall return—will offer an alternative employment to agriculture. In England, on account of this possibility of other work, the position of the laborer is somewhat better. When, therefore, through the more comprehensive application of the co-operative principle, the Irish countryside contains pleasant industrial villages, as unlike the nightmares of Lancashire as the present plague-spots in Ireland, he will not be in the same helpless situation. In order to keep him on the land at all, he will demand a decent wage. Likewise, the introduction of labor-saving machinery by co-operative societies will eventually improve the situation of labor. There will inevitably be hardship for the displaced indi-

labor conditions

viduals, though owing to the fact that this development is likely to be coincident with an increase in tillage, the dislocation will not be serious. In the manipulation of agricultural machinery a comparatively skilled workman is necessary, and in place of the ignorant worker, who is worth no more than his present hire, will be found the well-paid machinist. But an even more effective way for the co-operative movement to attack this problem is by the formation of co-operative stores for general necessities. In one respect the agricultural laborer has a bond in common with the other members of the farming community; he is a consumer. Organization on this basis will help him, and will, moreover, teach him the value of combination, which is his real need.

It is both a strength and a weakness of the co-operative movement that its advantages are in many directions shared by the whole community, members and non-members alike. The society enforces honest trading and honest prices upon all. Its competition, or effective threat of competition, has destroyed the monopoly of the Irish trading community. The fall in the price of manures and feeding-stuffs, of which we have spoken, was general. As legislation forced fair rents on a rack-rented people, so co-operation has forced fair prices upon a community in the hands of gombeen-men. This has put an end to the inefficient trader who depended on excessive profits, an advantage which all have shared.

On the other hand, the efficient and honest trader has frequently been helped rather than injured by the co-operative movement. The increased return to the farming community has meant an increased purchasing power. Only where societies have set up a general store—and this has occurred more often where the traders have abused their position—has the movement seriously injured them. Doubtless, individuals have suffered severely, but lamentable as this is in cases, it is an inevitable concomitant of progress, to be weighed, like the displacement of

labor by machinery, against the larger interests of the community as a whole.*

Among the more fundamental changes in the economic structure of the country which may be attributed to the co-operative movement has been the creation of certain industries in the Irish country districts. In particular sections various home industries already existed, and these, as we have seen, have been developed through the application of the co-operative principle. But in addition there are a number of industries, more directly connected with agriculture, which may be conducted most efficiently in close proximity to the source of raw materials. These either did not exist in Ireland or were confined to the larger centres. The direct financial loss to rural communities was large, and constituted a constant hindrance to the development of a well-rounded economic life. Wages which might have been earned in the country were paid in the towns, and there was no alternative occupation for agricultural laborers, an inevitable cause of low wages.

The industries which have been created in rural Ireland by the organization of co-operative societies are not yet large in number, but the present accomplishment is indicative of many possible developments in the future. The creameries have practically replaced the home industry of butter-making, and are gradually putting an end to the so-called butter factories where the home-made product was blended. Each creamery employs a staff of five or more persons, whose wages are for the most part spent locally. The poultry societies give a good deal of employment at certain seasons, while in the large meat society at Wexford fifty-eight are employed, and at Roscrea thirty-six persons.

*The argument is often used by opponents of co-operation that the spread of this movement will destroy the country towns and ruin traders in general. The facts are quite otherwise—during the last twenty-five years the greater number of country towns have increased in population and prosperity, nor is there any sign of decay in the ranks of the great army of distributive agents existing in Ireland.

Before these societies were established, this work was done in one or two urban centres entirely, if not in England.

Another development in industrial decentralization or rural industry is found in the saddlery department of the Enniscorthy Co-operative Society. This flourishing body, which conducts not only a large store for agricultural requirements, but also a general store and a garage, has recently taken up the production of saddles and harness as a commercial enterprise. About thirty men have been regularly employed, the work turned out has been of excellent quality, and the venture has proved profitable for the society. This innovation, more strikingly illustrated perhaps in the remarkably successful enterprise at Dungloe, elsewhere described, carries the germ of an interesting and extremely important development. Complete community organization must include the employment of the members not otherwise engaged. Such enterprises, whose success should assure them many imitators, are important not only from the point of view of co-operation, but also from that of the urban reformer. Many of the more serious problems of the modern city are to be solved by the decentralization of industry, and this may be encouraged, as well as protected from the obvious abuses which might accompany the change, by the activities of co-operative societies.

An advantage which is frequently claimed for the capitalist system is the facility with which it develops new industries and opens up avenues of economic activity otherwise untraveled. It is said that capitalism is essential for progress, that without the spur of an increased profit no one will undertake experiments in economic activity. Likewise the Socialist State has been deprecated because it is declared that without a strong personal incentive there will be no tendency to improve the processes of production. It is interesting, therefore, to find the Irish co-operative societies in the forefront of progress, always on the look-out for new and more advantageous methods. The success of the movement in its early days was due largely to the intro-

duction in the creameries of a new and more efficient productive process, and to these co-operative creameries the present position of the Irish butter industry is admittedly due. In the mills which are now being started in connection with many co-operative societies is found another instance of a new development arising entirely out of the movement. For, as a matter of fact, the co-operative system does preserve the powerful incentive of personal profit, not, however, at the expense of others, but to the advantage of all. The achievements of the Irish movement in this direction indicate a stimulating rather than a deadening effect upon industrial innovations.

The co-operative organization in Ireland has been of large importance in the development of latent business capacity among the people. Alfred Marshall declared at the Co-operative Congress of 1889 that the waste product of our present industrial order was the unrevealed capacity of men in the ranks who had never enjoyed an opportunity to unfold their powers. The greatest need of every country is men of efficiency and energy, and in Ireland, whose population has been drained of some of its best elements by emigration, this need is peculiarly acute. Orthodox economists have claimed that the *laissez-faire* system was most likely to draw out these capacities, and have opposed many schemes of social reform on this account. The annals of the co-operative movement in Ireland prove that they are wrong in this contention. Successful societies have frequently been led by men who had had no previous business experience. Priests and schoolmasters, as well as ordinary farmers, have formed and largely managed all types of societies. One of the most successful examples of co-operation in the country has been developed through the efforts of a man who had worked in an English coal-mine. In such a discovery is found a hidden spring of wealth which will help much to restore prosperity to the country.

In this connection it is interesting to inquire into the place of the employee in the Irish co-operative movement, for while

at present this problem does not loom very large on account of the nature of the societies in existence, it will undoubtedly grow in importance with later developments. At the present time the total number of employees of societies affiliated to the I.A.O.S. would not exceed five thousand. In the staff of the ordinary creamery there are a manager, a mechanic, a carter, and perhaps two dairy-maids. The agricultural society may get along with the part-time services of the village schoolmaster, though if it runs a store, a small full-time staff is necessary. The credit society almost invariably depends entirely on voluntary service. The poultry society has an expert manager, and at times employs a number of local people. There is, therefore, much unpaid work, prompted entirely by the high ideals of social service, and in addition a large group of paid employees.

The wages differ, of course, with the nature of the work, but on the whole the scale remains low. It has been difficult to convince the farmer that his employee should live on as good, if not a better scale than he himself does. He expects the manager of a proprietary creamery to do so, but where a large salary means smaller payments for milk, he hesitates. The organizers of the I.A.O.S. are not always able to convince him that the more expensive man is worthy of his hire. The fact that some men have almost given their services out of their strong belief in the co-operative ideal has increased this tendency toward sweating labor.

Yet it must be admitted that some societies have adopted a far-seeing policy in this direction, and that they are learning more and more to appreciate the value of well-paid services. In a number of cases houses have been built for managers of creameries and stores, a need which has already been made clear. The difficulty in finding a competent staff which was most marked in the early history of the movement continues, and the wages are gradually rising as a result. But the situation indicates the necessity of trade-union organization, even among the employees of co-operative societies. In England such an association has been

extremely powerful, and has been the instrument for raising wages to a high level. In Ireland there is as yet no such comprehensive union. The Irish Creamery Managers' Association, which is a body for the protection of the interests of a single class, and which attempts to aid generally by the weekly issue of market reports, has fixed a scale for payment, but it is not strong enough as yet to enforce its demands.

There are some idealists, however, for whom the fair wage is only a start. They demand that the workers shall have a share, not only in the profits, but also in the administration of the business. They declare that the only way to solve the problem of the relations between the employer and the employee is to make the latter a partner in the enterprise. From the beginning of the co-operative movement, this question has been actively discussed. According to the rules of the societies in Ireland, as in England, the net profits after the payment of a fixed interest on capital are to be divided among the members and the employees in proportion, in the one case to the business done with the society, and in the other to the total wage paid. Unfortunately, however, owing to the fact that such a division of the profits has seldom been made in Ireland, employees have received little or nothing under this provision. As for a share in the administration of the society, the situation of the co-operative employee is slightly better than that of the ordinary worker. For by joining the society by which he is employed—a procedure not infrequently encouraged—he may enjoy all the privileges of membership, and may present any grievance which he may have for consideration by the committee or the annual general meeting of the society.

The economic results of the co-operative movement in Ireland, and the changes in economic organization which are occurring in many directions through the agency of the societies, herald a day of returning prosperity for the Irish farmer. Already the achievements are great, and the potentialities, which through the co-operative movement are being revealed, are even more im-

portant. The sound basis of material prosperity on which the movement depends is necessary for the accomplishments of a more ideal character which will follow. The hopelessness of abject poverty no longer prevails throughout the Irish farming community. Co-operation has helped to change that, and furthermore it has cleared the way for the hope and the accomplishment of a new rural civilization.

CHAPTER XV

THE SOCIAL AND EDUCATIONAL RESULTS OF THE CO-OPERATIVE MOVEMENT

THE best test of any agency of social reconstruction is its educational value. Unless something more can be claimed for it than the improvement of material conditions, unless it develops the potentialities of human character, it is of little real significance in the permanent reconstruction of society. Its value depends upon its effects on the human material with which it deals. Improvements which develop the capacities of the individual for self-expression are steps toward the realization of a better State; improvements, no matter how great, which do not accomplish this are comparatively sterile. Having seen in the previous chapter, therefore, some of the ways in which the environment of the Irish farmer has been improved by the activities centring in the co-operative movement, it now remains to consider how far this change has produced modifications in character and social outlook, how far the individual has developed in intelligence and efficiency through the activities of the movement in which he shares.

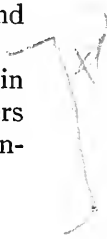
We have already considered the value of co-operative organization for educating Irish farmers in the technique of their industry. The actual experience of the Department of Agriculture justified the conclusion of the Recess Committee, that "the assistance of the State can only be truly effective when there exists a system of local representative organizations of the industrial classes to co-operate in its administration." Wherever the two agencies worked together the results were good, but since the machinations

of the traders have put an end to this combination of forces, progress has been measurably retarded. The campaign of the Department to increase tillage in Ireland during the first two years of the European War produced very meagre, if not negligible, results. But in places in the West, where the I.A.O.S. was able to furnish instruction in connection with a number of co-operative implement societies, the land under cultivation was more than doubled. This is not an isolated instance. In the co-operative creameries has been found the only satisfactory agency for encouraging the increase of winter milk production, though in this matter, it must be admitted, the achievement is small in comparison with the possibilities. While Danish creameries produce the larger part of their output during the winter when prices are high, in Ireland almost the entire product is during the months from May to November. The same might be said concerning the desirable improvement in the average milk yield of Irish cows. The agricultural societies, by cheapening manures and guaranteeing their analysis, have increased their intelligent use. Without such organization, the individual farmer is often not only helpless, but immovable. Instruction proceeds in a dilatory fashion only for those who show an interest in it. The Irish small-holder, on account of his inferior education, was often content to remain where he was; he had neither the initiative nor the self-confidence to demand instruction on his own account. Only in a society, in combination with his fellows, did he acquire the confidence which is essential for any step toward a better technical knowledge.

As a business organization the co-operative society has introduced its members to a field in which they had little practical knowledge. For the most part, the vision of the Irish farmer did not extend beyond the community in which he lived. If he sold his produce, it was to the gombeen-man or to the buyer at the fair, who was his only connection with the outside economic world. Nowhere did farmers carry on their farming on a business

basis. For them it was an occupation which in good years brought good living, and in lean years made it hard to get along. Cost accounting systems, insurance, productive loans—these were matters beyond their ken. The co-operative society, which made necessary considerable business knowledge, developed capacities which were of advantage in individual business relations. In the beginning the organizers were compelled to do almost everything up to running the business themselves. On their shoulders fell the burden of teaching the secretary how to keep the books; they found it necessary to explain the method by which an overdraft could be secured from the bank; frequently even to indicate where supplies might be obtained. But they have taught well. To-day Irish farmers conduct their co-operative societies for themselves. In their more individual relations they understand the nature of a productive loan; if necessary they are able to establish individual business connections with buyers in England and Scotland. They have learned to demand a guarantee with their artificial manures, and are gradually understanding that the quality as well as quantity of their products counts. They are undertaking, often on their own account, experiments in co-operative enterprise, are buying tractors, and installing mills. They are asking why the co-operative method cannot be extended for the purchase of household necessities. In fact, the farmer has come to realize that he is as much a business man as an agriculturist; that his return depends as thoroughly on this side of farming as on the effective methods of production. This development of business capacities has been important, not only from the individual, but also from the social point of view. Inasmuch as they have occurred largely through co-operative activities, they have often been used to the advantage of the society and of the members of the social community.

Not only has the co-operative method aided Irish farmers in the development of greater individual powers as wealth producers and as business men, but also it has taught them their respon-



sibilities and place as members of a social community and an organized State. Citizenship involves far more than membership in a political party; and the community obligations of each individual are not discharged by enthusiastic demonstrations for or against a particular policy. The true citizen must try to make his own contribution to the social order as great as possible; his obligation to himself and to the State is not fulfilled until he has found the full significance of community organization and has contributed to its development.

The co-operative society is of importance for this purpose because it develops in the individual those characteristics and capacities which are necessary for social progress. The present individualist system which takes care of the business interests of the farmers is a dividing and disintegrating force. It tends to destroy the natural associative character and to set each man against his neighbor. The conflict of interest engendered by the competitive régime has been wasteful not only economically, but also from the more important point of view of individual character. The wastes of competitive industry are not confined to advertising costs, lack of understanding between purchaser and buyer, and the necessary protecting devices against monopoly. That system creates fraud and dishonesty, indifference and suspicion. It conceals the fact that the interests of each individual are best served in his associated capacity as a member of a social community. But as a member of a society with interests in common with others the individual, consciously and unconsciously, develops the social virtues. Honesty becomes imperative and is enforced by the whole group on the individual; loyalty to the community is made an essential for the better development of individual powers. To cheat the society is to injure a neighbor; to sell milk outside is to endanger the success of a venture in which friends and relatives are interested. These virtues have not been developed immediately or rapidly. Changes in character are even more difficult than changes in an economic system. The

Irish creameries have been forced to adopt a binding rule to ensure the loyalty of all the members. But the fact that this provision has seldom to be used is an indication that the social virtues make their own appeal. The farmers are learning that individual action without consideration for the feelings or desires of others does not pay. The society is in miniature a community, and the community is but a part of the larger social group.

Through the co-operative movement has come a growing social consciousness and a recognition of the common interests of people living in the same neighborhood. Concerning itself with matters in which all have a common interest, it has proved that the factors of dissension so prevalent in Ireland need not prevent the development of a real community life. Race, religion and politics have so dominated the minds of Irishmen that the possibility of uniting in any direction for any purpose has seemed to them very remote. The granting of Home Rule, many said, would merely raise other issues. The Irishman would never be happy unless he was disagreeing with some one. And, indeed, the danger to the co-operative movement from these causes was very serious. Meetings were often held in an atmosphere of considerable tension. A case is reported in which only a strict censorship of the musical programme saved the situation. Nevertheless, the dangers were averted in a remarkable fashion. Only one case is recorded where a society was wrecked by sectarianism. To-day no lesson is more firmly fixed in the minds of co-operators than that neither race, nor religion, nor politics interferes with a man's co-operative capacities. On the committee of the I.A.O.S. and of the individual societies north and south alike, Catholics and Protestants sit in friendly discussion. Sinn-Feiners and Constitutionals, Unionists and Home-Rulers forget for the moment their embittered differences. In the rising of Easter week, 1916, it was a noticeable fact that the co-operative societies were in no way involved, but continued their work undisturbed. The principle wisely adopted in the early Co-operative Congress of 1832, that extraneous matters

should not be brought up for discussion, has been rigidly adhered to. In fact, it is reported that a secretary of an Ulster society, when asked whether the intense religious antagonisms of the community had grown less bitter replied: "We have no religious feelings now: we are all co-operators." The co-operative movement has shown that community life is not an impossibility in Ireland. And where men unite to run a creamery or an agricultural store without allowing their differences on other questions to interfere, they cannot long continue to feel bitterly toward each other in the streets outside. The dividing facts of life are being relegated to their true position by the realization of community of interest in the economic sphere.

This new spirit of community interest has been of great value in developing the social life of the people. One of the most important causes of the general rural exodus has been the dullness of life in the country districts. In the Irish towns there are few facilities for wholesome enjoyments. The co-operative societies have helped to remedy this situation. Their buildings have sometimes been used for dances or as the headquarters of a library. Through the evidence of community consciousness which they gave the demands from the Pembroke Trustees for village halls have been made effective. Libraries have been provided by grants from the Carnegie United Kingdom Trust, and though the name has come to mean a recreation hall rather than a library in many cases, this is not all loss. In this work of revivifying country life, the activities of the Gaelic League have been of great importance. This association, founded shortly after the inauguration of the co-operative movement, aims directly at the preservation of Irish as the national language, the study of ancient Irish literature, and the cultivation of a modern literature in the Irish language; but in practice the aim is much wider, and is in reality the reconstitution of the national social system, on the basis of the Gaelic civilization of many centuries ago. Among its more practical efforts is the revival of some of the social

enjoyments which brightened the lives of the Irish peasantry in former times; an undertaking in which the community organization afforded by co-operative societies has been very useful.

In the political sphere the organization of Irish farmers is as yet ineffective, and the State has not been responsive to their desires. This has been in part due to the nature of existing government in Ireland, and partly to the fact that the trading community is strongly entrenched in the dominant political Party. Since that Party has been concerned with the single question of Home Rule, there has been little opportunity for the consideration of more fundamental economic issues. The Local Government Act of 1898 represented a considerable advance in a restricted field, marking the final collapse of the *de facto* social order, dominated by the landlords. In place of the Grand Juries, who had administered government locally, were created elective County Councils and Urban and Rural District Councils. These authorities were employed, as we have seen, in the machinery of the Department of Agriculture, and altogether in spite of much chatter over countless resolutions have done their work well. They do not, however, truly represent the agricultural population and, particularly in connection with the Department, have not always worked in its interest. Some co-operative societies have gone so far as to present a co-operative candidate, and have succeeded in electing him. The need in this direction is great, and with the settlement of the Home Rule issue, and the development of a sound political life within the country, there is reason to hope for developments.

The new Irish State, whatever its exact constitution, will face many serious problems. Most important of these is the provision of practical leaders, a position for which the present representatives at Westminster are, it is no discredit to them to say, for the most part unfitted. They have been concerned with a single problem—Home Rule—and whenever its solution is assured,

—*signed
J. H. C.*

their work is done. But the problem of the construction of this new Irish State remains, and other leaders must appear to direct its course.

In this field the co-operative movement has been, and will be, of the greatest practical importance. Of late years in Ireland there have been many dreamers of the new State which was to be. Men have been filled with the idea which found its chief expression in the co-operative movement, and like the Sinn Fein (we ourselves) movement insisted that the regeneration of Ireland must come from within. The Gaelic League has striven for the revival of the old Irish civilization—its language and its artistic expressions. The Industrial Development Associations have taken a real part in the growth of a sound urban life. But along with the practical expressions of this policy there has been a vast deal of wasted effort. In dreaming of the new Ireland, dreams have too often become the master. Thus the new formulæ run the danger of becoming no more than the well-sounding shibboleths of old. The Irish people would seem on the point of being carried away again by new names.

The danger is very serious; but the forces ranged against it are stronger than at any previous time. In the co-operative movement, and its hundred thousand farmers scattered throughout the land, is to be found the practical antidote for this new peril. In the thousand co-operative societies they are working constructively; are building the secure material foundations of the new Ireland. Not from words and phrases, but from these earnest and energetic efforts is the new Irish State to rise. In these splendid lines A. E. has well expressed their aim:

*We would no Irish sign efface,
But yet our lips would gladlier hail
The first born of the Coming Race
Than the last splendor of the Gael.*

*No blazoned banner we unfold—
One charge alone we give to youth,
Against the sceptred myth to hold
The golden heresy of truth.*

There are, of course, many variations in the extent to which the Irish societies have been truly co-operative and have approached the ideal which is their ultimate goal. In some cases the individual has used the society not for general advancement, which would in the end have proved to his advantage, but for personal gains. It has furnished a convenient threat in order to secure better terms from middlemen. Likewise there has been a tendency to maintain the local point of view and to forget the larger claims of the central bodies to which the movement owes so much. In connection with both the I.A.O.S. and the I.A.W.S. we have pointed out this failing. Still more serious is the tendency to capitalism which occasionally results in the membership of a society being virtually closed, and its being carried on for the benefit of a few only while making profits out of many. These dangers beset all co-operative movements and are found in Ireland as elsewhere. But such societies are not typical. And in some cases there has been a very complete application of the co-operative principles. It is worth while closing this chapter with the history and achievements of one society, perhaps also not typical of the movement, but nevertheless indicative of what the co-operative principle and ideals may mean for rural Ireland.

One of the lessons which the history of the movement impresses is the way in which the very poorest people have profited most from the co-operative system. Poverty breeds many vices; it also, where the stock is strong, develops many virtues, which under happier circumstances emerge to great advantage. It is not surprising, therefore, to find co-operation most successful in Ireland in those districts in the West and North which have suffered most severely from the economic difficulties of the country. Leinster,

in which the agriculturists are on the whole better off than in other sections, has been, and still remains, most barren of co-operative enterprise. But in the congested districts, where all are very poor, not only have the economic results been greatest, but also the social and educational effect have been more real and lasting.

If, therefore, one were to pick out the locality in Ireland in which co-operation had proved of the greatest value, he would choose the country of the Rosses in North-West Donegal. There, among a people who have preserved, amidst many trials and tribulations, the finest fundamental human qualities, is to be found the real co-operative community which is the ideal of the movement. Dungloe is in the midst of a wild and dreary country, where nature has been most unkind, where rock and bog and cloud-cast sky color life itself with sombre hue. On land which is dark with bog are scattered the whitewashed cottages of a comparatively large population, who eke out a miserable existence from the soil, adding to their small earnings the returns from fishing, cottage industries, and the annual excursion to the fields of Scotland and England. The generosity of the soil, which with infinite pains and labor these people cultivate, is indicated by the fact that the valuation of one holding of 600 acres was £2 2s.; of another of 400 acres, 14s. 6d. The struggle for life under these conditions was very severe. It was aggravated by the prevalence and the power of the gombeen-men. Many of the people were bound hand and foot to them in a virtual slavery.

And yet in the character of the people, in the determination which poverty could not quench, in the energy which their hardships had developed, and in the hopelessness which was not helplessness, were factors which with co-operative organization were to revolutionize their condition. At first this revolution was altogether peaceable. In 1903 an agricultural bank was established, a form of co-operation in which some of the shopkeepers even found it advantageous to join. The increased spending power

and production which resulted were of general advantage to the trading community. But once the co-operative idea had been tried these people recognized its advantages in other directions. "Paddy" Gallagher, who had after some years in an English coal-mine returned to his native community, was interested in the problem of artificial manures. He wanted a guaranteed analysis. But the shopkeeper had never heard of that new-fangled notion and would have none of it. Mr. Gallagher was not satisfied. He found that the I.A.W.S. in Dublin could alone meet his requirements. But that concern only dealt with co-operative societies, and the agricultural bank, without trading powers and in the hands of the traders, was useless for the purpose. Only a new society would meet the situation. First, however, an order was placed through the Donegal Co-operative Society for 20 tons of manures. The saving on this transaction was £40, in addition to the guarantee of quality, and closed every possibility of retreat or failure. The I.A.O.S. was summoned to advise and help in the formation of the new society.

With the accomplishment of this step the enemies became active. The Traders' Association at once declared the activities of the society "illegitimate trading." It threatened their position as the general arbiters of the community. But against them was a loyal group of enthusiasts, confident of their position, assured of the wisdom of their stand, and ready to fight for their convictions to the last. The small cottage which served as their store was on the bleak hillside, far from the people who traded with it, and open only two nights a week, but it was their own enterprise and they had confidence in it. For the first few months business was confined to seeds and manures; then so successful was this venture that a small order of meal, flour and bran was added. The men who took charge of the shop were new to business. Book-keeping was for them an unknown science, and egg-packing a mysterious art. Still, their spirit was right; the members had confidence in them; and they were quick to learn. The success

of the Dungloe society has in large measure depended on this leadership which responded to the demand so willingly and earnestly and intelligently.

As the society expanded—a change was made to a small store about 12 ft. square—the opposition became more active. Wholesale houses, under the threats of the Traders' Association, refused to supply the new competitor, and recourse was had to the Scottish Co-operative Wholesale Society. For a time some of the surrounding traders were subsidized and cut prices on every commodity. The society countered this move by fitting up a goods van and sending it about the countryside. But mainly through the loyalty of its members the society survived these early attacks.

It was found necessary to take up the egg business, for in the country of the Rosses that commodity formed the usual medium for exchange. Whereas most of the trade up to this time had been on a cash basis, eggs must be accepted if the business was to expand. So "Paddy the Cope," at the direction of the Department of Agriculture, spent a term at the school of the Dunboe Co-operative Poultry and Egg Society and learned how to pack and grade. He learned other things about business and book-keeping. Thereafter the eggs were marketed through the Irish Producers' Society, and later through the I.A.W.S. Immediately the price paid throughout the district was much increased. In the single year 1906 a gain of something like £3000 for the farmers of the district in this single direction is recorded. But more than this, it had indicated the value of improved strains of poultry, and cleaner and fresher eggs. Later the system of paying for eggs on the basis of weight was adopted. A poultry station for improved breeding was set up in the community under the direction of the co-operative leaders. No longer was the hen looked upon with disdain by the menfolk of the community. "When we meet a good laying hen," one wag declared, "we put our hand to our hat!"

Progress was rapid. By another change the proportions of the

shop were increased by one foot each way, and a room overhead. The miscellaneous stock of boots, groceries and hams so completely filled the available space that the tall member found himself in a wilderness of hams, and for two of the more sturdily built members, passage in the aisle became a matter of nice adjustment! But nevertheless the society grew with rapidity. The turnover doubled, membership increased, and non-members found it advantageous to trade. The pig business was taken up on a small scale for the benefit of the members. This was of advantage both from the point of view of the member who was a producer and had given up the business as unprofitable, and the member who was a consumer. Likewise the society purchased spraying materials and spraying machines, which they rented to members. Weeks later the Department and the Donegal Agricultural Committee sent out the same materials, but these came too late to deal effectively with the potato blight which had already appeared. The value of the local organization over the outside agency was indicated in this practical way. Also a small threshing-machine was purchased by the society and rented to members.

The society was not satisfied with going on its own way without making use of the State agencies existing. Much might be accomplished if the District and County Councils were favorable to co-operative principles. Hitherto the farmers had not been fairly represented. So Mr. Gallagher and other co-operative leaders stood for the various County and District Councils. Their campaign was fought on the issue of gombeenism *versus* co-operation, and it is hardly necessary to state the result. The comparison introduced by Mr. Gallagher in his election address was sufficiently odious. In April 1906, eggs were 5d. per dozen; in April 1911, they were 9d.; flour dropped from 14s. to 10s., despite a rise in the wholesale price; 20 per cent. superphosphate cost 12s. per bag at the shopkeepers'; 30 per cent. superphosphate cost 7s. 6d. at the co-operative store. The co-operators were

elected. In this instance at least economic freedom was not to be nullified by political subjection.

In 1909 another step was taken by the grant of a village hall from the Pembroke Irish Charities Fund, six of which had been offered to the most deserving societies in Ireland. This has offered an opportunity for young and old to meet for recreation, and new color and gaiety has thus been introduced into the life of the countryside.

The latest annual report of the society (1915) indicates the importance of the achievement. The total turnover amounted to over £21,500* compared with about £15,500 in the previous year. The net profit disposable was £572, from which a dividend of 1s. 6d. on the pound, or 7½ per cent. on members' purchases, was paid. The remainder was allocated to reserve. The latest development of the society, the knitting industry described elsewhere, brought into the community nearly £100 a week in wages alone. In the meantime, other societies have been started throughout the district, inspired by this success in Dungloe. Of these, the Porteous Agricultural Bank is an interesting development. This society was formed in 1914, and unlike the original Dungloe Bank, which still continues its valuable work, it is not on the Raiffeisen plan. Its members are men already in debt, and the purpose of the society is to improve their position, not by increasing their borrowing, but by bettering the conditions of their present loans. Full repayment is to be made in fifteen years. The capital for this experiment has been obtained from private sources, and the society thus assumes to some extent the aspect of a philanthropic agency. But it is protected from the dangers which might follow such an enterprise by the admirable spirit of these people whose success at Dungloe has been so significant.

Their achievement is far in the direction of the co-operative community which has been in the minds of dreamers and enthusiasts of the Plunkett House. The domination of the gombeen-

* Increased in 1916 to £35,000.

men is over. The society now conducts the business of its members in almost every direction. From it they buy their manures and seeds; in its workshop they find employment for their daughters; through its assistance they sell their eggs and poultry; and in its store they purchase their necessities both as producers and consumers. If credit facilities are necessary, they are able to secure a loan from their co-operative credit society. These arrangements have made a vast difference in the material background of the lives of these people. The local slaughtering of sheep and cattle has placed the hitherto unknown luxuries of beef and mutton within the reach of the poorest. But more, this community effort has brightened the lives of the people and put an end to the emigration which was yearly sapping their vitality. In the village hall has been found the necessary centre for the community gatherings in which the wholesome spirit of recreation finds an outlet. These plain people of Dungloe by their loyalty to one another, their steadfast allegiance to co-operative principles, and by the leadership which they have found latent among themselves, have given an example of the potentialities of the co-operative movement, not only for Ireland, but for rural districts everywhere.

CHAPTER XVI

THE FUTURE DEVELOPMENT OF THE MOVEMENT

IN the earlier chapters of this book we have confined ourselves almost entirely to matters of history, but in discussing the relationship between industrial and agricultural co-operative societies we have been brought face to face with the fact that great developments both of policy and of practice lie ahead of the movement, if it is to attain its highest ideals. The nature of co-operation—its combination of business practice with idealism—is such that its exponents can never afford to rest; if the constant pursuit of the ideal side is abandoned even for a short time, the success of the business side will probably lead to a relapse into materialism. We must then attempt the task of suggesting or forecasting some possible lines of future development.

The leaders of the I.A.O.S. waged for twenty years or more a practically unceasing war, not only against every form of vested interest, but against a far more dangerous enemy—the combined inertia and mistrust of the Irish agriculturist. It was absolutely necessary that they should prove themselves capable not only of establishing—on a sound basis—societies which would add to the material prosperity of the country, but of carrying through their programme of social reform without thought of political capital or personal advantage. If it has not been made clear that in these things they have succeeded, this book will have largely missed its purpose.

But, while the accomplishment of these things in the face of constant financial difficulties has been a great task in itself, there

is admittedly much more to be done before Ireland can realize the whole ideal as it existed in the minds of the pioneers. Inquirers into various forms of social and agricultural development come to the Plunkett House from the farthest countries of the world—many from India, some from Japan, and a great number from the United States. Most of them find in Ireland what they seek, and some of them put into practice in their own countries what they have learned in this way. Just as the Rochdale pioneers are pioneers of industrial co-operation in many countries as well as in England, so the I.A.O.S., in spite of its comparative youth as against the movement in Germany or Denmark, has found acknowledged imitators, not only in England and Scotland, but in Finland, Serbia, India and the United States, while the pages of co-operative papers and the speeches of co-operative leaders in many other countries show the respect with which it is regarded.

The record of progress is, indeed, a great one in comparison with the records of most other agencies which have tried to do something for the betterment of Ireland; yet it is not particularly impressive from the point of view of the student of agricultural co-operation in general. Nor can the inquirers find, in visiting the country districts, more than a comparatively small number of societies which are in any way qualified to serve as patterns either of business methods or of co-operative faith.

Irishmen may feel a proper pride in this movement as a rare piece of Irish constructive work; but they must admit that more striking material success has been achieved in other countries.

Why, then, has Ireland become the centre of pilgrimage for agricultural co-operators? The men at the head of this movement are able to inspire others because they themselves have a clear vision of what co-operation should be. The Co-operative Commonwealth of which A. E. writes is for these people a real objective. The fact that the outward and visible signs of the movement are not proportioned to this spirit causes but little disappointment

to those who have any conception—and no man can be long in Ireland without forming such a conception—of the peculiar difficulties which have had to be faced and overcome. They realize that these men have been sensible enough to see that business success must be established before higher results can be looked for, and that their patient work in this direction is gradually meeting with its reward.

But the time has come when further developments must be undertaken and strenuous efforts made to bring the practice of the movement into harmony with the theory of its leaders. The I.A.O.S. attained its majority in 1915, in the midst of war. It had by that time established throughout the country a sufficient number of societies to meet the needs of practically the whole agricultural population, if each society were doing its work in the most effective manner. It was able to show figures of turnover by the local societies and their trade federations which entitled it to laugh at those who persist in describing it as a theoretical experiment or a plaything of faddists. These facts justify our assumption that the groundwork may be considered complete, and that the time is ripe for new experiments. The circumstances of the day lend fresh weight to this claim. This war must be succeeded by a period of social reconstruction, and by sweeping changes in industrial values and in business methods. Agriculture can never again be the neglected poor relation of industry which it has been in the United Kingdom for many years, nor can the co-operative form of organization continue to be regarded with contempt or indifference in the face of what it has accomplished in other belligerent countries. Further, it seems to be true that the energies of a people are quickened by war, and history shows that times of hardship have always afforded a great stimulus to the co-operative movement. Irish co-operators are, therefore, justified in looking forward to the next few years as a time of development.

We have already indicated—in the chapters dealing with the

various types of societies—some of the improvements which may be expected in the future. Thus the creameries have before them the task of so arranging their marketing, and of establishing such a standard for Irish butter, that the brand of the control will be as good a guarantee of quality as it is in the case of Holland or Denmark. The agricultural societies must bring about such an expansion in their business as will ensure their continuous activity throughout the year; while the credit societies cannot command success in the future if they do not imitate the example of their continental predecessors, and become collecting centres for the savings of the people, and possibly trading centres as well. We have dealt also with the importance of rural stores, and the difficulties under which the I.A.O.S. labors. It is finally apparent that there is room for a very considerable increase in the number and variety of societies for purposes other than the making of butter or the purchase of requirements. The reader who is familiar with the conditions of the movement in other countries will have noticed particularly that Ireland has done little or nothing in the direction of the collective sale of crops and live stock. In this respect, indeed, the co-operators of all European countries have much to learn from America, where the circumstances and business intelligence of the farmers have led them to develop from the beginning this most difficult form of co-operation.

But all these suggestions for the future are, when analyzed, matters of improvement in detail—an improvement which will inevitably be brought about by a gradual process of closer organization. Underlying them are far more vital questions affecting the whole economic progress of the country. All of these questions depend upon the future of the I.A.O.S. The position of this body is in several respects peculiar. It has long been in theory a federation for advisory purposes of a number of co-operative societies whose turnover is amply sufficient to enable them to support such a federation in a state of efficiency without

any outside help. In practice, it has remained almost what it was twenty years ago, so far as the relations with the societies are concerned. It was, then, frankly a more or less philanthropic society, seeking the betterment of Irish economic conditions through the education of farmers, supported by all who were sufficiently interested in this object to open their purses to it, and administered by a small body of enthusiasts, of whom many were unpaid, and some merely badly paid. The intention was to let it develop to a point where it could be handed over to the societies and become their own federation—supported, controlled and administered by them. So far as the leaders of the movement are concerned, every effort has been made to carry out this intention. Constitutionally, the societies which pay the very modest affiliation fees required of them have absolute control of the policy and conduct of the I.A.O.S.; the election of the committee is on the most democratic basis, and the committee administers the whole affairs of the I.A.O.S., subject to the orders of the annual general meeting, at which the representatives of the affiliated societies have the right both to speak and to vote. In spite of all, the I.A.O.S. still wears, to the eye of the unprejudiced observer, the appearance of a philanthropic body directing from the centre the affairs of its offspring. A large part of its funds still comes from other sources than the societies which benefit by its work. The affairs of the society are still, in a large measure, directed by a small band of enthusiasts, and not by the affiliated societies. It may seem strange that the repeated attempts of the leaders of the movement to abdicate their position have not been taken advantage of by the societies. It is not so strange to those who understand the mentality of the Irish farmer. Stated bluntly, the fact is that farmers, while enjoying the benefits they derive from co-operation, and being, no doubt, in some measure grateful for them, have neither accepted the responsibilities nor claimed the privileges which membership in the I.A.O.S. should imply; they have just gone on farming, and hoped the co-operative

society would go on being useful. This is an attitude for which it is no use blaming them. It would be more reasonable to blame the Providence which put the farmer under so many disabilities, or the authorities who created the Irish educational system. But, wherever the blame lies, the majority of the societies affiliated with the I.A.O.S. do not see the necessity for making a real effort to render the federation self-supporting, while, on the other hand, they willingly renounce their claims to exercise more than a nominal control over it, and are usually satisfied to re-elect committeemen, whether they know anything about them or not. Perhaps the most concrete evidence of this abnegation of responsibility is to be seen in the scant attendance at the district conferences, which were created by the I.A.O.S. for the distinct purpose of providing an organ for the easy expression of local opinion.

This state of things has two particularly bad consequences—it hampers the I.A.O.S. in its policy of expansion, and, on the other hand, it prevents it from becoming a really effective organ for the expression of agricultural opinion on the public affairs of Ireland. The first of these disadvantages has been touched upon more than once in this book, when we have had occasion to deal with the question of co-operative stores for general purposes. The failure of the affiliated societies to make the I.A.O.S. self-supporting has rendered it necessary to fall back upon Government aid. We have described the difficulties with which this Government aid was obtained, and the restrictions with which it is attended, and it is not necessary to go over this thorny ground again. Present conditions have accentuated more than ever the fact that in Ireland what is usually called “industrial co-operation” must be combined with agricultural co-operation, if either is to reach its full power, and the central body must be able to deal with both aspects of the matter. Two illustrations—one of which has held good for many years, while the other arises specifically out of war conditions—will suffice to put the matter

beyond doubt. The first is the fact that the movement as it exists at present is able to do little or nothing for agricultural laborers, who are yet more deserving of help than almost any class in Ireland. These men have no interest in creameries, agricultural societies, and the like, since they have no land. Their earning power is deplorably low, and while they may obtain a certain measure of relief by being members of credit societies, this will not by any means solve the problem of their perpetual struggle with poverty. At best it will only present them with another problem—that of repayments of loans which they are not, as a rule, able to put to a productive purpose. Nor is it easy for an agricultural laborer to find sureties. Irish conditions do not seem adapted to the formation of co-operative societies for the undertaking of labor by contract, such as exist in Italy. Isolated experiments in this direction may succeed occasionally, but the adoption of such a policy by the I.A.O.S. would be more likely to lead to friction than to an improvement in conditions. The only remaining expedient is to provide the laborer—either through a credit society or independently—with a co-operative store, where his small wages can be exchanged for the necessities of life on the best possible terms, thus increasing his purchasing power. This policy the I.A.O.S. is debarred from following; and to those who criticize it for neglecting laborers' interests it can only reply that by bringing prosperity to the farmer it is enabling him to pay higher wages—an argument which, while undoubtedly true, is somewhat remote in its application to the needs of the moment.

Our second illustration is a matter of detail, arising out of peculiar conditions. There has been since the beginning of the war a great demand for the introduction of the principle of co-operative purchase in districts where it had not previously excited attention. Many of these newly formed societies have found that in present conditions the margin of profit available on agricultural requirements is so small, and the difficulty of obtaining them so great that, in order to prosper, they must add

other lines of business. This fact—coupled with the high price of all necessities—has led them to go into the general grocery trade. They have immediately come into contact with the irksome restrictions of the Sugar Commissioners, and have been threatened with catastrophe. Such societies, on appealing to the I.A.O.S., which originally brought them into existence, find that in matters of this kind that body can do nothing for them. Thus the I.A.O.S. may have to watch helplessly the collapse of a successful business in agricultural requirements, because a technical restriction forbids it from dealing with a shortage of sugar supplies. We may hope that this particular instance is a passing one; but it serves to illustrate the dangerous futility of red tape.

Nor is it only in respect to the formation of stores that the acceptance of Government aid hampers the independence of the movement. In order to qualify for the grant the I.A.O.S. must submit detailed estimates to the Treasury at the beginning of each financial year, which means that no change of policy involving expenditure can be inaugurated without delay—no matter how much it may be called for by changing conditions. Any one who has had experience of administrative work carried on through a committee will easily be able to imagine the hundred little ways in which the Development Commissioners with their representation on the I.A.O.S. committee might either deliberately or unintentionally impede its efficiency. Up to the present the Development Commission and its representatives on the I.A.O.S. committee have always behaved in an extraordinarily sympathetic and helpful manner; unfortunately, however, the final power is not in their hands, but in those of the Treasury; and, furthermore, their helpfulness has been due to their personalities, and we have no guarantee against change. In any case, it is against the principle of Government aid with its corollary of Government interference that we are arguing; and with this argument we believe that the Development Commissioners as at present constituted would be among the first to agree. It may be remarked

that even the obtaining of money from private sources is not altogether free from similar objections. A man engaged in some form of business may be persuaded to give money to help the education of farmers, but he may feel himself entitled to express righteous indignation if this education results in farmers entering into competition with him in his own province.

Such are the weaknesses to which Irish farmers have exposed their central body by their failure to realize their responsibility of making it financially independent. Closely allied to these are the more negative defects which have been caused by their reluctance to claim their privilege by making their voices clearly heard in its councils.

Under modern conditions of industrial organization practically every trade and profession has found it desirable to create an association which will represent and further its interests. This applies almost equally at the present time to the employer and the employee, to the capitalist and the artisan. We know to our cost the influence which organizations of the captains of industry are able to exercise upon Government, and we have seen more recently the tremendous strength which the trade unions are able to put forth. The co-operative movement has long been behind-hand in this respect, and has suffered in consequence; in its very proper desire to hold aloof from the disastrous complications of party politics it has tended to cut itself off from political representation in the wider sense. In the last few years, however, as the movement has achieved national importance, and the forces arrayed against it have become more and more vigorous, the industrial co-operators of Great Britain have realized that they must be prepared to defend themselves by the same methods. The Parliamentary Committee of the Co-operative Union is now a permanent body of considerable importance, charged with the duty of watching co-operative interests at Westminster. The increase in the number and importance of Labor representa-

tives—most of whom are favorable to co-operation—enables it to find a medium of expression for its opinions.

No class stands so much in need of this form of organization as does that which derives its living from farming. The nature of the farmer's business, while it precludes him from devoting any time to talking or writing, or even to acquiring the kind of education which would make him effective in these directions, at the same time often lays him open to attacks and injustice against which he sorely needs to defend himself. Since the farmer owns, or at least occupies, the land which is the source of everything we need, he has to bear a large share of the blame for every scarcity or rise in price which takes place. Furthermore, most people seem to have a vague idea that they could farm successfully if they got the opportunity; one seldom hears a layman undertaking to show a manufacturer of boots or soaps how to use his plant to better advantage, but the number of people who are prepared to teach a farmer how to farm seems to be inexhaustible, and unfortunately quite a large number of them find their way into positions of importance, including Government Departments entrusted with the administration of agriculture. The farmer is strongly of opinion that he is beset by foolish, ill-natured and greedy persons; too often he seeks to counteract his misfortune by practising himself the vices he imputes to his antagonists, and thus the old proverb which says, "Give a dog a bad name and hang him," receives a practical illustration. A far better plan for the farmer is to seek organization for the protection of his professional interests on the same lines as have been followed by the townsman. Until comparatively recent years this would have been an empty dream. The isolation of the farmer, his backward education, and often his insecurity of tenure and dependence upon other persons, rendered it impossible for him to combine with his fellows; and in this fact probably we have the root-cause of that constant movement to the towns which sociologists so frequently and so vainly deplore. The improvement in communi-

cations, the development of the newspaper and of a slightly higher standard of popular education, and the sweeping reforms in the laws relating to the occupation of land opened the way to an improvement in this direction, and the co-operative movement sprang up as the first step towards combination among farmers for their mutual advantage. The logical development of this movement is to give the farmer not only a possibility of doing business on a large scale by combination, but also a means of making his needs known in high quarters and protecting himself against abuse and injustice. What can be done in this direction is shown by the strength of the farmers' party in Germany, although it must be admitted that the leaders of this party are hardly representative of the small-holder who produces most of the food of the nation. In Denmark farmers practically control the Government, and in many European countries they are able to make their voices heard—usually through co-operative channels—with great effect. Perhaps the most striking of all has been their progress in this direction in the United States. In that country the farmer's vote, represented by the Granges and other large organizations, has become a real power to which America owes the parcel post and many other innovations.*

One would not expect that the English farmer could attain to this position, but in Ireland, where a majority of the population make their living by agricultural pursuits, it would seem reasonable to assume that they would exercise some authority in public affairs. Furthermore, when the I.A.O.S. has succeeded in organizing 100,000 of them for business purposes, we would suppose that it would be the proper vehicle for this exercise of authority, that it would be, in fact, a true farmers' trade-union, and would be in a strong enough position to protect its own interests and

* A further demonstration was given in 1915 by the Farmers' Non-Partisan Political League, which was founded as a protest against the corrupt administration of the State of North Dakota, and gave practical effect to this protest on polling day by returning candidates of its own to practically all the important offices in the State.

those of its members against all comers. We find, on the contrary, that after twenty years Ireland is still administered in the interest of any class rather than the farmers. For twenty years the I.A.O.S. has been subject to attack and misrepresentation in the Press, in Parliament, and throughout the country; gross falsehoods, such as that it is a trading body, a political conspiracy, or a malignant trust, can still be uttered even at Westminster by men who know them to be untrue—and hardly a dissenting voice is raised. Irish farmers allow laws and regulations to be made which inflict upon them hardships and hindrance; they allow their economic welfare to be treated with contempt, and the Department which is supposed to represent them to be dominated by the representatives of middlemen and publicans; and they raise at best a feeble protest. For years bad seeds have been sold in contravention of the Weeds and Seeds Act, which has been used against the farmers when the weeds came up. For years they have had no representative in Parliament to protest against such things; they have gone on voting on the old party lines, without reference to their own professional interests. So long as these conditions endure, Ireland, whose strength lies in the land, will continue to be the unhappiest member of the family of nations.

By asserting their privileges as members of a co-operative society the farmers have it in their power to bring about a change. It is true that the leaders of the I.A.O.S. have been careful—strictly and rightly careful—to avoid an entanglement in party politics which would have brought certain disaster. How successful they have been, in spite of calumny and provocation, we have already shown in stating the manner in which representatives of all parties are able to meet amicably upon co-operative committees. But this does not mean that they must for ever refrain from giving effect to the views of the farmers in the sphere of Government.

They have nothing to gain and everything to lose by identify-

ing themselves with Unionists or Nationalists; but it is their manifest duty to create a true farmers' party. This they would do if the farmers gave practical proof of their willingness to support it.

But all these aspirations depend, like the majority of democratic ambitions, upon one condition precedent, which is yet far from being realized. The farmers of Ireland cannot be expected to respond to the call even of their own movement until they have been thoroughly educated. And the education of an Irish farmer, so far from being, as it is now apparently thought by many to be, a rather unimportant side-issue, is, on the contrary, a problem of the greatest possible gravity. Whatever system of government may be devised for Ireland the farmer must for many years play a large part in its direction. Without education in citizenship, without that technical education which will give him stability, without that cultural education which will give him the power to appreciate ideals, he will not be able to carry out properly the duties so entrusted to him.

It would surely seem that the farmers have had a considerable amount of time, money and thought lavished upon them; yet they have always been treated as a means to an end and scarcely ever as human beings. It has been thought well to give them an opportunity of producing more wealth for the nation, but the idea of giving them cultural education *per se* has been considered ridiculous. There are many people who go so far as to suppose that it is impossible for farmers to take successfully a predominating place in government. As a direct disproof of this theory we have the example of Denmark, which is practically governed by farmers for farmers. Yet we hear no complaints of oppression from the people of Copenhagen, a large and flourishing industrial city. And it is precisely in Denmark that this idea of the higher education of farmers has actually been put into effect—most strikingly through the agency of the famous folk schools.

The I.A.O.S. has fulfilled to a great extent, so far as any limited

agency can fulfil, the material part of the aims and objects with which its founders set out. The formula, "Better farming, better business, better living," has ceased to be a formula only and has become so far as its first two branches are concerned an accomplished fact. The Department of Agriculture is the child of the co-operative movement, and it is at least as well equipped and circumstanced as an official body could be for the teaching of "Better Farming." Undoubtedly whatever may be the defects of its present methods, or the mistakes made in the past, its existence has enormously raised the standard of farming in Ireland, and in the near future it may be expected to do far more in this direction. As regards "Better Business," the organizers of the I.A.O.S. have never let the grass grow under their feet. There are sufficient co-operative societies in Ireland at present to meet the needs of the whole farming population if all were working in full efficiency. The success which has attended the efforts of the majority of them has proved to the most sceptical that the co-operative method does really represent "Better Business." There is no excuse now for any Irish farmer to be ignorant of the fact that he can improve his position by co-operation, nor is there any reason why, if he can find a few like-minded neighbors, his desire to do this should remain many weeks unsatisfied.

Here is a substantial achievement and one of which our leaders may be proud. But there are always fresh worlds to conquer, and when we come to the question of "Better Living," it is not quite so easy to claim a triumph. It is true that the standard of Irish life has enormously improved of recent years and is still improving, and some part of this improvement is no doubt due directly or indirectly to the increased prosperity and the higher standard of education brought about by co-operative societies. But the improvement is largely of a material nature. We look almost in vain for any educational advance throughout the country districts, or for any greatly increased appreciation of the respon-

sibilities of citizenship. And these are the foundation of a real better living.

The question then for the I.A.O.S. is whether it will continue its material advance and do as much educational work in addition as time and funds allow—which means an absolute minimum—or whether it will boldly claim that the time has come merely to supervise and represent the existing societies and to devote the bulk of new energies and new funds to a real educational campaign. We believe that the latter point of view is rapidly gaining ground, and that the next effort of the I.A.O.S. must not be to organize new co-operative societies, but to teach true co-operation to the existing ones. This is a task in which the Government, if it has learned any lesson during the war, ought surely to be willing to assist to the full—by so doing it will lighten for itself one of the greatest burdens it has to take up, the burden of the real popular education.

The method by which the I.A.O.S. will carry out such work presents a considerable difficulty. The existing staff are fully employed if not overemployed in meeting the technical demands of the existing societies, and as the business of these societies expands the work of the organizers must continually increase. In these circumstances it is impossible to expect them to devote time to a form of work which must necessarily be slow and laborious, and which will at first at least probably be met with indifference if not with scepticism. At the same time their existing work would be greatly lightened if such a campaign met with any marked success. The principles brilliantly advocated by the leaders of the movement, efficiently and energetically put into practice by the organizers, have still not penetrated into the minds of more than a small percentage of the members of co-operative societies; still less have been appreciated by the public at large, whether friendly or hostile. In many countries such a difficulty might be overcome by paper and ink, but not in Ireland. Reading is at a decided discount amongst most of the people

whom the I.A.O.S. hopes to reach, and even where they do read this form of propaganda has comparatively little effect. It is true that the *Irish Homestead* has inspired, and continues to inspire, the best co-operators in Ireland, but these are the men who were open to inspiration from the beginning; "the deaf adder stoppeth her ears," and in too many places the *Homestead* goes unopened to oblivion.

Ireland is, in fact, pre-eminently a country where leadership, personal affection and personal example count for almost everything. In the early days of the movement this personal example was ever before the eyes of the pioneer co-operators. But in these times control is more remote, everything is on a larger scale, and the personal element must largely decline. Nothing is more remarkable than the stimulus which is given to true co-operation in any district when a leader of the movement, recognized and trusted, is able to visit and get into close touch with the local co-operators. But such visits must necessarily be few and far between. The solution then would seem to be that the I.A.O.S. must add to its staff educational agents who will be able to devote their whole time to this personal work. Two things are lacking—the money and the men. The first one feels can be but a temporary difficulty. Work as valuable as this is never permanently starved for lack of funds. But the question of men to fill these positions is one of the most difficult. We have already described the tasks which fall to the lot of an organizer, and the qualifications which he must possess. They are hard to find, and the handful of picked men whom Mr. Anderson's genius as a staff leader has kept together will not be easily replaced. The educational agent will need to possess perhaps more qualifications—not than the men who did the pioneer work, but than those who now take up organizing when the business practice has been more or less standardized. They will have to blaze their own trail, and they will have to have the patience and the optimism to wait perhaps for years

until their personal position is sufficiently established to give their words effect and to make their teaching acceptable.

The question is whether men will be found both able and willing to undertake this work. That, in its turn, is part of a larger question on the answer to which the future of Ireland greatly depends—the question whether the young men of the country are prepared to work in it, to love it, and to live for it. Old feuds and old defeats, a present restriction of opportunity and of payment, have laid Ireland barren in this respect. With the rise of new parties, new ideas on economics, new forms perhaps of government, the country stands at the cross-roads, waiting for leadership. Now is the time for her young men to determine whether or no they will play their part in this leadership, or whether they will still go out over the world as adventurers. There are signs, for which every patriotic Irishman must be profoundly thankful, that they will choose the former course. If they do so the co-operative movement must of necessity benefit.

We have not dwelt on the side of the movement which appeals to the patriotic nature of Irishmen, because we believe that a plain narrative of the facts is the most convincing plea. Yet we are assured that in some such constructive movement as this lies the ultimate hope of sanity, unity and peace, and that when Irishmen appreciate this fact, as they are now beginning to do, they will rally to the call and will bring us with wondrous speed well upon the road to the Co-operative Commonwealth. It behooves us, therefore, to be prepared, that all may be ready for the great advance, and that we may not at the end be found wanting through ignorance or haste.

STATISTICAL APPENDICES

	PAGE
I. CREAMERIES	292
II. AGRICULTURAL SOCIETIES	295
III. CREDIT SOCIETIES	296
IV. I.A.W.S.	298
V. POSITION IN 1915	299
VI. DEVELOPMENT	300
VII. EXPORTS	301

APPENDIX I

THE CO-OPERATIVE CREAMERIES

TABLE I. SHOWING WORKING OF CREAMERIES FOR YEARS 1889-1904 INCLUSIVE
(DETAILED FIGURES FOR FOLLOWING YEARS NOT AVAILABLE)

Year	Num-ber of cream-eries fur-nishing returns	Number of members	Share capital paid up	Loan capital	Value of buildings and plant after depreciation	MILK RECEIVED			BUTTER PRODUCED				Working expenses	Amount allowed for depreciation	Net profits
						Quantity	Amount paid	Aver- age price per gallon	Quantity	Aver- age prod- uce per gallon	Amount realized by sales	Aver- age price per lb.			
1889	1	50	£ 374	£ —	£ 898	Gallons —	£ 3748	Pence 4.25	lb. —	oz. —	£ 4363	Pence —	£ 392	£ —	£ 223
1890	1	50	374	600	973	—	—	3.75	—	—	8500	—	—	—	—
1891	17	850	5782	3295	13910	—	43944	—	—	—	50382	—	4612	648	1480
1892	25	1084	10313	5804	20323	5212134	87904	4.04	2039449	6.26	98969	11.55	9267	1465	775
1893	30	1250	13895	7746	24871	7575038	123780	3.92	2935211	6.19	140780	11.51	13293	2173	1242
1894	30	1641	15468	6061	25266	9014046	132555	3.53	3567835	6.33	151852	10.22	15398	2271	1992
1895	38	2334	19067	6808	29758	10979152	162168	3.54	4368401	6.36	184947	10.14	17818	2418	2794
1896	58	8750	27889	10225	44561	15687311	232041	3.55	6250984	6.37	266969	10.25	25691	3892	3986
1897	72	15136	39028	14611	67298	18432672	276490	3.60	7381393	6.40	322344	9.89	36489	5902	2337
1898	100	20844	53131	32427	97266	23205208	354396	3.51	9358101	6.46	401771	9.83	46081	6500	3497
1899	160	22750	66346	40660	113655	29714414	484097	3.91	11974046	6.62	572963	10.92	63767	3884	3884
1900	171	26377	74223	46262	129528	35629743	570075	3.84	13601184	6.59	703826	10.84	74259	—	9138
1901	195	33064	85506	46204	150224	37161892	614720	3.97	15345942	6.60	717902	11.22	82674	—	12491
1902	247	40060	90839	72588	173652	39881168	641422	3.86	16174004	6.69	885892	10.62	92479	—	8522
1903	287	44273	101176	96813	194654	46220398	722194	3.75	19127985	6.68	964066	11.66	107553	—	6242
1904	217	42432	112296	112070	212022	505385507*	—	—	20187119	6.59	1089620	12.81	115961	—	11156

* Lb. (1 gallon = 10.32 lb.)

TABLE II. SUMMARY OF PROGRESS FROM 1894 TO 1915

Year	Number	Members	Paid-up share capital	Loan capital	Turnover
1894	30	1641	£ 15468	£ 6061	£ 151852
1899	171	26577	74223	46262	728000
1904	217	42432	112296	112070	1089620
1909	301	44213	138254	111365	1841400
1914	350	47086	149755	133210	2731628
1915	344	45385	154574	121676	3499264

TABLE III. POSITION IN 1915

Province	No. of socie- ties	No. of share- holders on Dec. 31, 1915	Amount of share capital paid up	Loan capital (including bank overdraft)	Turnover		
					Butter	Other sales	Cream and milk
Ulster.....	143	21161	£ 61858	£ 15715	£ 1064964	£ 52971	£ 14011
Munster....	144	9671	55506	86576	1597222	114960	31729
Leinster....	31	3958	16835	16360	307173	76178	989
Connaught.	26	10595	20375	3025	198327	40717	23
	344	45385	154574	121676	3167686	284826	46752

For continuation of
table see below

Net profit	Loss	Reserve fund	Gallons of milk received	Lb. of butter made	Affiliation fees	Subscriptions
£	£	£			£ s. d.	£ s. d.
25505	—	88299	25052589	9808977	268 6 6	540 5 11
25347	92	97537	50837344	20769966	453 17 0	452 10 8
6676	97	30200	9651087	4041514	135 5 0	160 10 5
6256	35	29371	7199478	2986482	55 0 0	48 12 6
63784	224	245407	92740498	37606939	912 8 6	1201 19 6

APPENDIX I

TABLE IV. DEVELOPMENT OF THE IRISH CO-OPERATIVE
AGENCY SOCIETY, LTD.

Year	Turnover
1893.....	£ 45,574
1898.....	£133,010
1903.....	£186,103
1908.....	£160,573
1913.....	£163,813
1916.....	£219,179
1917.....	£322,532 (to August)

APPENDIX II

THE AGRICULTURAL SOCIETIES

TABLE I. SUMMARY OF PROGRESS

	Number	Members	Paid-up share capital	Loan capital	Turnover
1896	38	3000	£ 1639	£ 1124	£ 39741
1901	112	11695	3053	11285	71704
1906	159	13063	5553	29812	72175
1911	171	18271	6836	40672	129199
1915	219	23450	31734	52187	310341

TABLE II. POSITION IN 1915

Province	No. of societies	Number of shareholders on Dec. 31, 1915	Amount of share capital paid up	Loan capital (including bank overdraft)	For continuation of table see below
Ulster.....	51	6571	£ 22734	£ 14527	
Munster.....	41	3531	1473	6552	
Leinster.....	53	4632	5611	18698	
Connaught.....	74	8716	1916	12410	
	219	23450	31734	52187	
Total sales	Net profit	Loss	Reserve fund	Affiliation fees	Subscriptions
£ 158038	£ 5420	£ 162	£ 3588	£ s. d. 62 5 0	£ s. d. 24 12 0
33595	1149	89	4161	15 15 6	16 5 4
83004	2263	72	8200	44 2 0	33 12 0
35704	1014	74	5634	35 12 6	49 3 0
310341	9846	397	21583	157 15 0	123 12 4

APPENDIX III

THE CREDIT SOCIETIES

TABLE I. SUMMARY OF PROGRESS

Year	Number	Members	Loan Capital	Deposits	Amount of Loan	Number of Loans	Expenses	Reserve Fund
			£ s. d.	£ s. d.	£ s. d.		£ s. d.	£ s. d.
1897	3	—	278 0 0	—	—	388	—	—
1902	145	5597	13956 10 9	—	15447 2 2	3241	76 3 8½	—
1907	261	14875	31620 1 6	17098 3 1	53112 3 9	9046	368 10 0½	2670 11 3
1912	234	20044	31738 8 1	30467 17 11½	58244 1 5	8522	738 16 11½	4492 6 1
1915	225	20260	15602 4 4	37182 8 9	48196 13 2	6301	877 8 4½	4829 15 5

TABLE II. POSITION IN 1915

Agricultural credit societies	No. of societies	Mem- bership	Loan capital	Deposits	Total capital	Loans granted	No. of loans granted
Ulster.....	61	5844	£ s. d. 2842 17 2	£ s. d. 13461 5 0	£ s. d. 16304 2 2	£ s. d. 15367 7 0	1970
Munster	39	2446	1542 1 8	1642 16 9	3184 18 5	2535 18 0	265
Leinster	57	4281	5017 4 3	12699 17 10	17717 2 1	14250 10 6	1148
Connaught.....	68	7689	6200 1 3	9378 9 2	15578 10 5	16042 17 8	2918
	225	20260	15602 4 4	37182 8 9	52784 13 1	48196 13 2	6301

For continuation of table see below

Loans outstanding	Expenses	Net profit for year	Loss for year	Reserve fund	Affiliation fees	Subscriptions
£ s. d. 15765 9 9½ 2892 1 5 13134 18 7 16231 15 5	£ s. d. 264 13 0 54 3 4½ 260 1 9 298 10 3	£ s. d. 117 11 1 19 6 3½ 102 8 11 146 6 7	£ s. d. 11 9 9½ 20 7 2 8 12 6 8 17 1	£ s. d. 1686 3 2½ 348 2 4½ 963 14 1½ 1831 15 8½	£ s. d. 10 10 0 1 18 0 9 8 6 13 13 0	£ s. d. 8 9 8 1 16 7 27 16 1 13 13 8
48024 5 2½	877 8 4½	385 12 10½	49 6 6½	4829 15 5	35 9 6	51 16 0

APPENDIX IV

PROGRESS OF THE I.A.W.S. FROM 1907 TO 1916

	1907	1908	1909	1910	1911	1912	1913	1914	1915	1916	Half-year, 1917
Number of societies federated....	79	91	105	119	146	158	173	187	219	264	308
Number of individuals in federated societies.....	7160	8586	13353	16785	19228	20618	23023	25794	29192	36951	43825
Ordinary capital paid up.....	£ 547	768	1398	1919	2565	3152	3378	3640	5043	7139	9269
Number of preference shareholders.....	87	89	99	105	109	111	117	119	108	117	119
Preference capital paid up.....	£ 3286	3437	4912	5222	5487	5687	5850	6505	7115	8680	9465
Sales.....	£ 65637	73153	104326	123508	132929	176900	223785	268384	375379	479876	372656
Net profit.....	£ 845	1312	1374	1594	1620	753	1557	2114	3141	4989	—
Reserve fund.....	£ 900	1800	2400	3300	3800	4000	4000	5000	6000	8000	—

APPENDIX V

THE POSITION OF THE MOVEMENT IN 1915

Class of society	Number of societies	Member- ship	Paid-up share capital	Loan capital	Turnover	Affiliation fees	Subscriptions
Dairy.....	344	45385	£ 154574	£ 121676	£ 3499264	£ 912 8 6	£ 1201 19 6
Auxiliary societies (not sepa- rately registered).....	95	—	—	—	—	—	—
Agricultural.....	219	23450	31734	52187	310341	137 15 0	123 12 4
Credit and Agricultural Banks	225	20260	—	52784	48196	35 9 6	51 16 0
Poultry-keepers.....	13	4042	1348	2395	84922	23 10 0	13 0 0
Home industries.....	9	627	2	44	170	—	—
Miscellaneous.....	27	7928	24020	21199	156881	18 17 0	37 7 0
Pig and cattle.....	50	—	—	—	—	—	—
Flax.....	7	562	755	1491	4352	4 11 0	4 4 0
Federations.....	2	337	12158	15074	552910	10 0 0	—
	991	102591	224591	266850	4657036	1162 11 0	1431 18 10

APPENDIX VI

DEVELOPMENT OF THE MOVEMENT

Year	Number of societies	Butter sales	Banks. Total loans granted	General Turnover	Total Turnover
1889	1.....	£ 4363	—	—	£ 4363
1890	1.....	8500	—	—	8500
1891	17.....	50382	—	—	50382
1892	25.....	98969	—	—	98969
1893	30.....	140780	—	—	140780
1894	33.....	151852	—	—	151852
1895	76.....	184947	—	—	184947
1896	104 (Includes Agency Society).....	377695	388	57822	435905
1897	148 (No figures for Agency Society)	322344	475	76134	398953
1898	243.....	401771	3306	270346	675423
1899	424.....	572963	5550	331874	910387
1900	477.....	703826	7270	327781	1038877
1901	564.....	809144	10357	363079	1182580
1902	706.....	885892	16480	340175	1242547
1903	840.....	964066	20435	406546	1391047
1904	778.....	1089620	31742	410958	1532320
1905	835 (No figures for Agency Society)	1195486	43641	238411	1477538
1906	873 (No figures for Agency Society)	1457040	50264	307145	1814449
1907	913 (No figures for Agency Society)	1574083	53112	390428	2017623
1908	881.....	1666596	56004	529780	2252380
1909	835.....	1757969	57640	578860	2394469
1910	880.....	1903334	55855	630370	2589559
1911	934.....	1908314	56055	702114	2666483
1912	947.....	2268902	58244	878043	3205189
1913	985.....	2323441	55492	954256	3333189
1914	1023.....	2502545	52926	1113487	3668958
1915	991.....	3167686	48196	1441154	4657039
		28492510	683432	10348763	39514708

APPENDIX VII

TABLE SHOWING THE COMPARATIVE VALUE OF AGRICULTURAL EXPORTS FROM IRELAND, AS AGAINST THE LEADING INDUSTRIES

<i>Eggs</i>			<i>Stout</i>	
Year	Quantity	Value	Quantity	Value
	Gt. hdrs.	£	Hhds.	£
1904	5470260	2188104	514557	1646582
1906	6417435	2727410	571395	1828464
1909	6362714	2863221	625784	1653113
1911	6488776	2940227	729298	1926562
1914	6824612	3383870	889696	2446664
<i>Cattle</i>			<i>Linen</i>	
Year	Quantity	Value	Quantity	Value
	No.	£	Cwts.	£
1904	710229	8985302	1151709	5597983
1906	720744	8869230	1281592	10456713
1909	785784	10425361	1409623	13230129
1911	669049	9433993 *	1328222	14214743
1914	910978	14173001	1382693	15833456
<i>Butter</i>			<i>Ships</i>	
Year	Quantity	Value	Quantity	Value
	Cwts.	£	Tons	£
1904	687100	3195015	76114	1500000
1906	715344	3576720	148716	2900000
1909	719625	3625111	120468	2175000
1911	688362	3671264	183390	4450000
1914	855608	4641673	244367	6703250 †

* Loss caused by foot-and-mouth disease.

† Inflation due to outbreak of war.





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